1946

Annual Report
OF THE
JERSEY CENTRAL LINES

JERSEY CENTRAL
LINES

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1946 ANNUAL REPORT

of the

JERSEY CENTRAL LINES

(This report includes accounts and statistics for The Central Railroad Company of New Jersey, the Central Railroad Company of Pennsylvania and the Wharton and Northern Railroad Company, which are known collectively as the Jersey Central Lines. Tables dealing with the three railroads collectively are headed Jersey Central Lines, while those dealing only with the individual railroads are so designated.)

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THE CENTRAL RAILROAD CO. OF NEW JERSEY

CORPORATE DIRECTORS

ROY B. WHITE, *Chairman*
REVELLE W. BROWN
WILLIAM G. CURREN
GOLDTHWAITE H. DORR
WILLIAM V. GRIFFIN
HOWARD W. MAXWELL
THEODORE W. REATH
RUSSELL L. SNODGRASS
J. HAMILTON CHESTON

EXECUTIVE COMMITTEE

ROY B. WHITE, *Chairman*
GOLDTHWAITE H. DORR
THEODORE W. REATH
WILLIAM V. GRIFFIN
HOWARD W. MAXWELL
J. HAMILTON CHESTON

CORPORATE OFFICERS

ROY B. WHITE, *Chairman of the Board*	Baltimore 1, Md.
CHARLES L. EWING, *Vice President*	New York 6, N. Y.
WILLIAM KOHLER, *Secretary and Treasurer*	New York 6, N. Y.
*HOWARD L. KERN, *General Counsel*	New York 6, N. Y.
ALEXANDER H. ELDER, *General Solicitor*	New York 6, N. Y.

GENERAL OFFICES

Central Building, 143 Liberty St., New York 6, N. Y.

REGISTRAR OF TRANSFERS

Central Hanover Bank and Trust Co., 70 Broadway, New York 15, N. Y.

*Deceased May 11, 1947.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

WALTER P. GARDNER, *Trustee*

JAMES D. CARPENTER, Jr., *Counsel for the Trustee*

GENERAL OFFICES

Terminal Building, Jersey City 2, N. J.

WILLIAM WYER, *Chief Executive Officer*

*Howard L. Kern, *General Counsel*	New York 6, N. Y.
Alexander H. Elder, *General Solicitor*	New York 6, N. Y.
William F. Hanlon, *Assistant General Solicitor*	New York 6, N. Y.
Howard B. Thomas, *Assistant General Solicitor*	New York 6, N. Y.
Earl T. Moore, *General Manager*	Jersey City 2, N. J.
Sydney L. Mapes, *Assistant General Manager*	Jersey City 2, N. J.
Norton P. Willis, *Superintendent of Transportation*	Jersey City 2, N. J.
George H. Massy, *Superintendent Motive Power and Rolling Equipment*	Elizabethport 1, N. J.
Peter R. Broadley, *Mechanical Engineer*	Elizabethport 1, N. J.
Thomas E. MacMannis, *Engineer Maintenance of Way*	Jersey City 2, N. J.
Fred W. Bender, *Signal Engineer*	Jersey City 2, N. J.
Raymond W. Keller, *Electrical Engineer*	Jersey City 2, N. J.
**Don Y. Smith, *Chief Traffic Officer (Freight)*	New York 6, N. Y.
†Thomas H. Irwin, *Freight Traffic Manager*	New York 6, N. Y.
†John F. Hourigan, *Freight Traffic Manager*	New York 6, N. Y.
††Richard F. Sullivan, *Assistant Freight Traffic Manager*	New York 6, N. Y.
Fred E. Gregg, *Comptroller*	Jersey City 2, N. J.
Philip M. Kelly, *Assistant Comptroller*	Jersey City 2, N. J.
William Kohler, *Secretary and Treasurer*	New York 6, N. Y.
Harry M. Sanderson, *Assistant Secretary and Assistant Treasurer*	New York 6, N. Y.
Albert M. Zabriskie, *Chief Engineer*	Jersey City 2, N. J.
⊙Bernard J. Minetti, *Bridge Engineer*	Jersey City 2, N. J.
Espy A. Workman, *Purchasing Agent*	New York 6, N. Y.
Ralph E. Thompson, *Property Manager*	Jersey City 2, N. J.
⊙⊙Harry A. Walsh, *Tax Attorney*	Jersey City 2, N. J.
Russell C. Slack, *Real Estate Agent*	Jersey City 2, N. J.
Ennett J. Goodale, *Valuation Engineer*	Jersey City 2, N. J.
Harry E. Yerkes, *Passenger Traffic Manager*	New York 6, N. Y.
Benjamin D. Branch, *General Passenger Agent*	New York 6, N. Y.
Thomas F. Clarkin. *Assistant General Passenger Agent*	New York 6, N. Y.
Ira Goldowsky, M. D., *Medical Director*	Jersey City 2, N. J.
Benjamin F. Davis, *Assistant to Chief Executive Officer*	New York 6, N. Y.
Philip M. Parker, *Assistant to Chief Executive Officer*	Jersey City 2, N. J.
Joseph T. Sullivan, *Director of Information*	Jersey City 2, N. J.
Joseph Lloyd, *Manager, Suggestion Plan*	Jersey City 2, N. J.

*Deceased May 11, 1947.
**Effective October 1, 1946.
†Effective January 1, 1947.
††Effective February 1, 1947.
⊙Effective June 1, 1947.
⊙⊙Effective November 11, 1946.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

DIRECTORS

*PERCY A. BROWN
*JAMES D. CARPENTER, Jr.
FRANK J. CASSIDY
EDWARD J. FOX, Jr.
WALTER P. GARDNER
HORACE LEHR
EARL T. MOORE
ANDREW J. SORDONI
*JAMES L. STACKHOUSE
**ROBERT A. YOUNG
WILLIAM WYER

EXECUTIVE COMMITTEE

*JAMES D. CARPENTER, Jr.
*WALTER P. GARDNER
*WILLIAM WYER

OFFICERS

WILLIAM WYER, *President*	New York 6, N. Y.
EARL T. MOORE, *Vice President in Charge of Operations*	Jersey City 2, N. J.
*DON Y. SMITH, *Vice President in Charge of Freight Traffic*	New York 6, N. Y.
WILLIAM KOHLER, *Secretary and Treasurer*	New York 6, N. Y.

(All other general officers of the Central Railroad Company of New Jersey also are officers of the Central Railroad Company of Pennsylvania in the same capacity)

GENERAL OFFICES

Navigation Building, Mauch Chunk, Pa.

*Elected January 13, 1947.
**Elected March 25, 1947.

WHARTON AND NORTHERN RAILROAD CO.

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DIRECTORS

CARL W. BADENHAUSEN

LUDWIG R. DOHM

WALTER P. GARDNER

*HOWARD L. KERN

WILLIAM KOHLER

EARL T. MOORE

WILLIAM WYER

OFFICERS

WILLIAM WYER, *President*	New York 6, N. Y.
LUDWIG R. DOHM, *Vice President*	New York 6, N. Y.
EARL T. MOORE, *Vice President in Charge of Operations*	Jersey City 2, N. J.
DON Y. SMITH, *Vice President in Charge of Freight Traffic*	New York 6, N. Y.
WILLIAM KOHLER, *Secretary and Treasurer*	New York 6, N. Y.

(All other general officers of the Central Railroad Company of New Jersey, Except Passenger Traffic Officers, also are officers of the Wharton and Northern Railroad Company in the same capacity)

GENERAL OFFICES

Terminal Building, Jersey City 2, N. J.

*Deceased May 11, 1947.

JERSEY CITY, N. J.
June 15, 1947.

To the Bondholders and Stockholders of The Central Railroad of New Jersey:

THE first full year of operations under peacetime conditions in five years was reflected sharply in a decreased volume of traffic handled by your company and its subsidiaries, the Central Railroad Company of Pennsylvania and the Wharton and Northern Railroad Company, during 1946.

With the herculean job of moving articles of war towards the various battlefronts ended, the net ton miles of these companies dropped from 3,833,235,000 in 1944 to 3,310,756,000 in 1945 and 2,819,210,000 in 1946, while the gross revenues dropped to $48,816,633 in 1946 as compared to $55,953,744 in 1945 and to $60,796,386 in 1944. Also helping to contribute to the decline was a series of major industrial strikes.

Because of this drop in traffic, wage increases granted employes, rising losses in passenger service, the increased costs of materials and equipment and the failure of government agencies to allow compensating rate increases, your companies had a net deficit of $753,972 in 1946. This compared with a net deficit of $6,340,813 in the preceding year and a net income of $217,932 in 1944. The deficit shown above for 1945 is larger than that reported in last year's annual report, because figures for the Central of Pennsylvania and the Wharton and Northern have been added. The Central of Pennsylvania had a deficit of $2,752,599 in 1945, because of accelerated amortization of defense equipment charges, while the Wharton and Northern had a net income of $296,623 for the same year.

The operation of these three companies showed these results for 1946:

The Central Railroad Company of New Jersey—A net deficit of $1,978,525 on gross operating revenues of $41,896,469.

The Central Railroad Company of Pennsylvania—A net income of $948,924 on gross operating revenues of $6,663,711.

The Wharton and Northern Railroad Company—A net income of $475,629 on gross operating revenues of $256,453. The net income resulted chiefly from a federal income tax credit of $308,136 in 1946 on taxes paid in earlier years.

The deficit of the Central of New Jersey would have been even greater in 1946 if it were not for the fact the railroad was able to take credit for some federal income taxes paid in earlier years which it will recover, and because of a credit of $1,654,099 resulting from overpayment of New Jersey taxes for 1941. The Central of New Jersey's 1946 accounts show a net credit for federal income taxes accrued of $1,154,659. Without these two credits the 1946 deficit would have been $3,562,730.

The New Jersey credit resulted from a decision of

CONDENSED INCOME STATEMENT

	1946	1945	Increase or *Decrease*	
			Amount	Percent
Receipts from the transportation of anthracite and bituminous coal, merchandise, passengers, etc.	$48,816,633	$55,953,744	*$7,137,111*	*12.8*
Cost of operating the railroad and maintaining the property	42,670,819	49,845,092	*7,174,273*	*14.4*
Net Revenues	$ 6,145,814	$ 6,108,652	$ 37,162	.6
Federal, State and other taxes	$ 1,833,849	$ 6,312,098	*$4,478,249*	*70.9*
Payments to other companies in excess of receipts from such companies for hire of equipment and use of joint facilities	1,123,343	2,035,728	*912,385*	*44.8*
Net Railway Operating Income	$ 3,188,622	Ø$ 2,239,174	$5,427,796	
Income from investments in securities, property rentals and other items	#$ 938,819	#$ 948,873	*$ 10,054*	*1.1*
Less miscellaneous income deductions	46,731	198,048	*151,317*	*76.4*
Income available for fixed charges	$ 4,080,710	$Ø1,488,349	$5,569,059	
Fixed charges—interest on funded debt, rentals paid for leased railroads, etc.	#4,834,682	#4,852,464	*17,782*	*.4*
Income after fixed charges	$Ø753,972	$Ø6,340,813	$5,586,841	
Percentage of each dollar of operating revenues consumed by operating expenses	87.41	89.08	*1.67*	*1.9*

Ø Denotes deficit. *Italics* denote decreases; detailed Income Account starts on page 20.
Includes Central R. R. Co. of New Jersey, Central R. R. Co. of Pennsylvania and Wharton and Northern R. R. Co.
Certain intercompany transactions eliminated.

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JERSEY CENTRAL LINES
JERSEY CENTRAL LINES

A JERSEY CENTRAL FIRST—Your railroads were the first in the world to place this ultra-modern type of diesel-electric power in suburban passenger service. Long a pioneer in the use of new developments in the railroad industry, the Jersey Central Lines now have three of these double-end, single-unit 2,000-horsepower passenger locomotives and their operation has proved so successful that three more have been ordered. The diesel-electric above is shown making a regular stop at our Westfield (N. J.) station.

the State Court of Errors and Appeals on May 3, 1946, upholding the constitutionality of the 1941 New Jersey Railroad Tax Act as it applied to assessments for the year 1941. This decision reversed one the State Supreme Court rendered on August 29, 1945. Acting under the Supreme Court decision the State had applied the old tax law to 1941 assessments and demanded and received payment of $1,654,099 in 1945 for additional 1941 taxes. After the Court of Errors decision, the 1941 law was re-applied and the railroad was given a credit for the previous overpayment when it remitted its 1946 taxes. Thus the railroad paid only $1,264,478 in taxes to the State in 1946 instead of the $2,918,577 assessed against it.

Gross freight revenue of your three railroads totaled $41,034,443 in 1946, as against expenses, taxes and fixed charges of $35,144,205. This gave your railroads a net profit of $5,890,238 in freight operations. Your railroads also had a net income during the year of $892,088 from non-carrier operations, such as income from securities and lease of property.

Despite anthracite and bituminous strikes during the year your railroads' revenues from hauling coal were larger in 1946 than in the previous year. Their anthracite revenues in 1946 were $9,760,165 in contrast with $8,796,462 in 1945, while bituminous revenues dropped to $4,760,843 in 1946 from the $5,119,562 of the previous year. The increase in anthracite revenues was $963,703, while the decline in bituminous revenues was $358,719, thus giving us a gain for coal of $604,984.

Petroleum traffic of your railroads continued sharply downward in 1946 as pipeline capacities were increased and more tankers were placed in service. This type of traffic was chiefly of a wartime character. Our gross revenues from petroleum traffic were only $1,460,934 last year as compared to $4,543,882 in 1945 and $6,827,296 in 1944.

The year 1946 saw another decline in the passenger traffic and revenues of your railroads as industrial plant workers decreased, new bus lines were given permits to operate and more new automobiles began to reach the public. We carried 21,144,215 passengers during the year as compared to 23,836,651 in 1945 and 25,272,127 in 1944. Of the total, 12,655,623 passengers were commutation riders. This compares with 12,938,669 commuters carried in 1945 and 13,578,438 in 1944.

We also transported 616,961 members of the armed forces in organized troop movements in 1946, compared to 903,898 in 1945 and 981,129 in 1944. This traffic now is a mere trickle as compared with the war years and the months immediately following the war.

The drop in the number of passengers carried caused our revenues from passenger fares to drop to $6,494,093 in 1946 from the $7,093,140 of 1945 and $7,505,468 in 1944. Of the 1946 total, commutation revenue was $2,785,017 as compared to $2,515,910 in 1945 and $2,497,193 in 1944. The 1946 increase was made possible because of the action of the Interstate Commerce Commission in allowing a 20 percent increase in our interstate commutation fares effective on May 27, 1946.

Our overall passenger revenues, which includes income from mail and express on passenger trains, totaled $7,782,190 in 1946, as against expenses, taxes and fixed charges of $15,318,488. This left us with a deficit of $7,536,298 in the operation of passenger service. These figures compared with overall passenger revenues of $9,074,474 in 1945 as against charges of $16,105,533, or a deficit of $7,031,059.

Passenger Rates

In view of the ever-increasing losses suffered in passenger service, more than 75 per cent of which occurs in the operation of suburban service, tariffs have been filed by the Central of New Jersey with the Interstate Commerce Commission and the New Jersey Public Utilities Commission setting up a complete new rate structure for commutation fares which would raise rates in most instances and reduce them in a few. The new rates would increase the annual revenues of your railroads by between $750,000 and $900,000 annually.

The new tariffs do not call for a flat percentage increase in rates, but provide stiff increases for highly unprofitable short haul passengers and smaller increases for passengers traveling longer distances. Fares would be decreased for extra-long-haul commuters in the hope that this will encourage the development of outlying communities along your lines and thus enable us to make greater utilization of equipment which is now practically empty long before it reaches its final terminal.

The new rate structure, which is designed as nearly as possible to place your railroad's commutation fares on the same level as those of the New York, New Haven and Hartford Railroad in its New York and Boston areas, calls for the sale of five classes of commutation tickets. They are:

Standard Commutation Ticket—Good for transportation on any day Monday to Friday during the calendar month for which issued and for any number of rides for the person signing the ticket. (This ticket was decided on because many businesses and industries along the railroad now operate on a five-day work week.)

Unlimited Monthly Ticket—Good for transportation on any day during the calendar month for which issued and for any number of rides for the person signing the ticket.

Weekly Ticket—Good for transportation on any day during the calendar week for which issued and for any number of rides for the person signing the ticket.

Scholar Ticket—Good for transportation of scholar to whom issued for 46 rides in intrastate service during the calendar month for which issued.

Bearer Ten-Trip Ticket—Good for transportation of as many passengers as there are unused rides on the ticket on any day and good until used.

The Standard Ticket is expected to supplant the present 60-trip monthly ticket as the most popular ticket sold by your railroad. The proposed Unlimited Ticket will cost five per cent more than the Standard Ticket.

Both government agencies have held hearings on the proposed new rate structure and we now are awaiting decisions as to whether we will be given authority to put the new tariffs into effect.

On June 1, 1947, under authority granted by the I. C. C., your railroads and all others in the East put into effect an approximate 10 per cent increase in straight fare rates. This increase is expected to swell the revenue of your company by between $250,000 and $300,000 annually.

Passenger Deficits Rise

The charts on the opposite page show that all revenues of your railroads attributable to passenger service, including mail, express, ferries, etc., totaled $7,782,190 in 1946 against expenses, taxes and fixed charges of $15,318,488, or a deficit of $7,536,298. This loss had to be made up from our freight operations, thus eating up all the profit from the latter and leaving a net loss from carrier operations of $1,646,060. Except for fixed charges, costs are assigned to each type of service in accordance with Interstate Commerce Commission accounting instructions. The Commission doe not provide any instructions for allocating fixed charges between classes of service, so those have been divided in proportion to other items of expense.

Passengers

INCOME	
ALL OTHER PASSENGER SERVICE REVENUE	$ 873,016
EXPRESS	$ 143,922
MAIL	$ 271,159
PASSENGERS	$ 6,494,093
TOTAL	$ 7,782,190

OUTGO	
RENTALS	$ 283,537
INTEREST ON DEBT (INCLUDES $580 UNFUNDED)	$ 795,334
TAXES	$ 1,116,245
GENERAL AND TRAFFIC EXPENSES	$ 742,586
DEPRECIATION CHARGES	$ 850,193
COST OF MAINTAINING ROADWAY, STATIONS, SIGNALS, ETC.	$ 1,345,064
COST OF MAINTAINING EQUIPMENT	$ 2,552,925
COST OF OPERATING TRAINS, STATIONS, PIERS AND OTHER FACILITIES	$ 7,632,604
TOTAL	$15,318,488

Freight

INCOME	
ALL OTHER FREIGHT SERVICE REVENUE	$ 1,537,125
PETROLEUM AND PRODUCTS	$ 1,460,934
BITUMINOUS COAL	$ 4,760,843
ANTHRACITE COAL	$ 9,760,165
GENERAL FREIGHT	$23,515,376
TOTAL	$41,034,443

OUTGO	
RENT FOR LEASED ROADS	$ 2,131,337
INTEREST ON DEBT (INCLUDES $2,147 UNFUNDED AND $1,697 AMORTIZATION OF DISCOUNT ON FUNDED DEBT)	$ 1,683,186
RENTAL—EQUIPMENT AND JOINT FACILITY	$ 1,064,631
TAXES	$ 717,604
GENERAL AND TRAFFIC EXPENSES	$ 2,108,387
DEPRECIATION AND AMORTIZATION CHARGES	$ 1,711,987
COST OF MAINTAINING ROADWAY, STATIONS, SIGNALS, ETC.	$ 3,656,284
COST OF MAINTAINING EQUIPMENT	$ 5,466,442
COST OF OPERATING TRAINS, STATIONS, PIERS AND OTHER FACILITIES	$16,604,347
TOTAL	$35,144,205

**OUR
$49,755,452
BUSINESS
RESULTED IN:
PASSENGER LOSS
$7,536,298
FREIGHT PROFIT
$5,890,238
NET LOSS
FROM CARRIER
OPERATIONS
$1,646,060
NET PROFIT
FROM
NON-CARRIER
OPERATIONS
(INCOME FROM
SECURITIES AND
LEASE OF
NON-CARRIER
PROPERTY, ETC.)
$892,088
NET DEFICIT
$753,972**

Freight Rates

Effective on January 1, 1947, general freight increases averaging about 17.6 per cent went into effect under orders issued by the Interstate Commerce Commission after a series of hearings. The increases replaced an 11 per cent emergency increase granted in the summer of 1946, months after railroad employes had been granted pay increases retroactive to January 1, 1946. This was the first "permanent" freight rate increase since March 28, 1938.

The increased freight rates will produce additional revenue for your companies of about $6,500,000 annually, based on 1946 volume, but they will not meet the higher costs brought about by increased operating costs and still bring an equitable return on the valuation of railroad properties. In view of this it is likely that your railroads, in conjunction with all others in the nation, will apply shortly to the I. C. C. for another freight rate increase.

During the past year an I. C. C. order directing a 25 cents a ton reduction in the rates for hauling anthracite coal from the Pennsylvania mining regions to railroad piers in New York Harbor went into effect after a three-judge federal court at Newark, N. J., had upheld the I. C. C. order. The order had been appealed to the court by ten railroads. This decrease in rates will reduce the annual revenues of your companies by about $350,000.

Recently the Supreme Court of the United States upheld another I. C. C. order directing an increase in the so-called "class" freight rates by 10 per cent in official, or eastern territory where your railroads operate, and decreasing these same rates by 10 per cent in southern, western trunk line and southwestern territories. The order had been appealed to the Supreme Court by 15 Eastern and Northern states on the grounds the rate differentials were discriminatory and would discourage further development of industry in their territories.

The I. C. C. order is to take effect shortly and it is estimated the annual revenue of your companies will increase by about $70,000 because of it. However, from a long-term view the new rates are expected to work to the disadvantage of eastern railroads because both new and old industries may locate in other sections of the nation to take advantage of the lower rates.

Lighterage and Carfloatage Divisions

An I. C. C. examiner has concluded hearings on the Central Railroad of New Jersey's request for higher lighterage and carfloatage allowances out of the present joint freight rates and for an order requiring other New York Harbor lines to stop accepting the present below-cost allowances for such port service delivery. A recommendation or report to the Commission is expected shortly.

This dispute is with other railroads and the amount

ANOTHER JERSEY CENTRAL FIRST—Here is a painter at work in the Jersey Central's new Paint Spray Room at Elizabethport, N. J. The Paint Room, the first of its kind in the railroad industry, was designed and built by Jersey Central officers and employes. It was constructed in 1945-46 and started operating in August of last year. Large enough to accommodate all passenger coaches and locomotive tenders, the room is equipped with the most modern paint spraying facilities and devices for removing noxious fumes and injurious matter from the room. The latter eliminates any danger to the workers. The use of this new facility has reduced painting time on passenger cars by 60 per cent over the former hand-brush methods and results in material savings of 25 per cent, as well as giving improved finishes to the exterior of equipment.

of rates paid by shippers is not involved in the complaint. At present the Jersey Central is receiving only about 25 per cent of the costs of providing lighterage and carfloating services from its docks and piers on the Hudson River.

Wages and Salaries

During 1946 your companies paid out a total of $30,785,397 in wages and salaries, an increase of $2,589,892 over the previous year. This represented approximately 63 per cent of the total gross operating revenues of your companies.

In 1946 your companies also paid $1,889,530 in payroll taxes as compared to $1,706,119 in 1945. These taxes are levied under terms of the Railroad Retirement and Unemployment Insurance Acts. Thus approximately 67 per cent of your railroads' gross operating revenues in 1946 were paid out for wages and employe retirement and unemployment benefits.

The increases were due to the general 18½ cents an hour pay raises granted employes last year, the circumstances of which were explained in the 1945 annual report. In the current year the payroll taxes of your railroads are even heavier because of the so-called Crosser Bill enacted last year. The Crosser Bill, which took effect January 1, 1947, provides for wider retirement, unemployment and sickness benefits for employes and raises the tax on payrolls, and will increase our payroll taxes about $700,000 per annum.

No general wage increases have been granted since the one in 1946, but recently most of the non-operating brotherhoods presented demands on your railroads, and all others in the nation, for a 20 cents an hour increase. The operating brotherhoods have not yet presented their demands, but it is expected they will ask for working rule changes in lieu of wage increases. The rule changes sought would be far more costly than a moderate wage increase.

Central of Pennsylvania

The Central Railroad Company of Pennsylvania began its career as an operating company on August 5, 1946, under authority granted by the Interstate Commerce Commission and took over operations of the Pennsylvania properties theretofore owned and operated by the Central Railroad Company of New Jersey.

The primary purpose for setting up the new operating company was to stop the State of New Jersey from taxing the earnings of your Pennsylvania properties under its franchise tax law. Those who opposed the creation of the Central of Pennsylvania as an operating company at hearings before the I. C. C. based their case on the claim that it was a tax evasion measure. The I. C. C., in its decision said that the tax-saving move was a "proper objective" and "consistent with the public interest."

In January of 1947 the membership of the board of directors of the Central of Pennsylvania was increased from seven to eleven for the purpose of giving wider representation in the company to municipalities located on its lines. As a result the company now has six prominent Eastern Pennsylvania business and professional men on its board. They are:

Percy A. Brown, Wilkes-Barre businessman; Edward J. Fox, Jr., Easton attorney; Horace Lehr, Easton businessman; Andrew J. Sordoni, Wilkes-Barre businessman; James L. Stackhouse, Easton publisher, and Robert A. Young, Allentown banker.

Tax Problems

Since the effective date of the segregation of the properties formerly operated by the Trustee in the State of Pennsylvania, these properties have been operated by the Central Railroad Company of Pennsylvania, all of the stock of which (except Directors' qualifying shares) is vested in the Trustee. The Central Railroad Company of Pennsylvania keeps separate operating accounts and the Trustee is advised by counsel that the net railway operating income of said company is not subject to the New Jersey franchise tax.

Although litigation as to all New Jersey franchise taxes assessed against the Trustee for the years 1942 to 1945 was disposed of as set forth in our last Annual Report, it has been found necessary to contest the franchise tax levied against the Trustee by the Director, Division of Taxation of New Jersey, for the year 1946. Such contest is the result of the action of the Director in disallowing as deductions, and adding to the net railway operating income as reported to the Interstate Commerce Commission for the year 1945, certain accruals for interest on delinquent taxes and accruals for principal and interest on the reassessment in 1945 of property taxes for the year 1941, by reason of a decision of the New Jersey Supreme Court in the case of Jersey City vs. State Board of Tax Appeals, 133 N.J.L. 202. The opinion of the Court, which was handed down by Justice Perskie in 1945, held that the provision of the Railroad Tax Law of 1941, covering the 1941 property tax assessment was unconstitutional, so that taxes for that year were required to be reassessed pursuant to the old railroad tax laws which were repealed by the Railroad Tax Law of 1941. The 1945 reassessment, made pursuant to the Court's ruling, resulted in an increase of the 1941 taxes; the increased amount together with interest was paid in 1945 shortly after the assessment. The additional payment then was shown in the report to the Interstate Commerce Commission as a deduction from net railway operating income for the year 1945, which is the statutory basis of the 1946 franchise tax. The Supreme Court decision, however, was reversed by the New Jersey Court of Errors and Appeals in the year 1946 sometime prior to the date when the franchise tax for that year was to be determined (134 N.J.L. 239). Because of the latter Court's reversal of the Supreme Court decision, the 1945 reassessment was voided and the Trustee became entitled to, and received, credit in 1946 for the 1945 overpayment of taxes for the year 1941. It is the contention of the Trustee that the amount of the overpayment made under the voided reassessment was properly accrued during the year 1945 when the additional tax was reassessed, and that the credit received therefor in the year 1946 should be reflected in the net railway operating income for that year, rather than the year 1945 as was determined by the Director, Division of Taxation.

By his disallowance of this deduction for taxes which were paid in the year 1945, the Director, Division of Taxation, arbitrarily increased the net railway operating income for the year 1945 to $2,177,916.00. The Trustee appealed from this assessment to the Division of Tax Appeals. The appeal has been argued by Counsel for the Trustee but no decision has yet been rendered.

The 1942 Property Tax Case, referred to in the 1945 annual report, was decided by the Court of Errors and Appeals on April 24, 1947. (State v. State Board of Tax Appeals, 135 N.J.L. 481 and 482.) The decision was adverse to the Trustee, and the judgment of the New Jersey Supreme Court, which cancelled the reduction of the 1942 State Property Taxes in the sum of $117,510.21 allowed by the New Jersey State Board of Tax Appeals, was unanimously affirmed.

The 1943 and 1944 Property Tax Cases involve substantially the same questions which were involved in the 1942 Case. The appeal to the Division of Tax Appeals was dismissed not without, however, a strong dissenting opinion sustaining our contentions for a reduction. These cases have been argued in the New Jersey Supreme Court on writs of certiorari obtained by your Trustee and the City of Jersey City (the city seeking an upward revision) and have not yet been determined.

The 1945 State Property Tax Case referred to in the 1945 annual report has been decided by the Division of Tax Appeals, said Division affirming the assessments as made by the Director, Division of Taxation. Your Trustee has deemed it inadvisable to apply for a writ of certiorari to review the action of the Division of Tax Appeals in view of the decision of the New Jersey Court of Errors and Appeals hereinabove referred to.

In 1946, your Trustee appealed from the property assessment made by the Director, Division of Taxation for that year, to the Division of Tax Appeals. No decision in that case has been filed, although the trial was completed some months prior to the decision of the New Jersey Court of Errors and Appeals in the 1942 case.

In regard to Federal income taxes, your Trustee has filed with the Commissioner of Internal Revenue, claim for refund of Federal income taxes paid for the years 1943 and 1944. (1943 and 1944 were the only years since the beginning of the reorganization proceedings in 1939, for which there was sufficient income to subject the company to Federal income taxes.) The amounts of refunds claimed are $1,159,521.82 for 1943 and $733,510.75 for 1944. These claims are equal to the total amounts paid for those two years.

These claims are brought about primarily by:

1. Additional deductions from taxable income allowable on account of accelerated amortization of war emergency facilities pursuant to election of the Trustee in 1945 to take such accelerated amortization.
2. Application of carry-overs and carry-backs to the years 1943 and 1944 of losses sustained in 1941, 1945 and 1946.
3. Adjustment of accruals for New Jersey State taxes in controversy in conformity with the holdings of the U. S. Supreme Court in the case of Dixie Pine Products Co. v. Commissioner of Internal Revenue, 320 U.S. 516, and other recent court decisions of the same tenor.
4. Miscellaneous adjustments.

(The subject of taxes claimed by the State of New Jersey for the years 1932 to 1940, inclusive, is explained fully in the Contingent Tax Liability Statement on pages 17 and 18.)

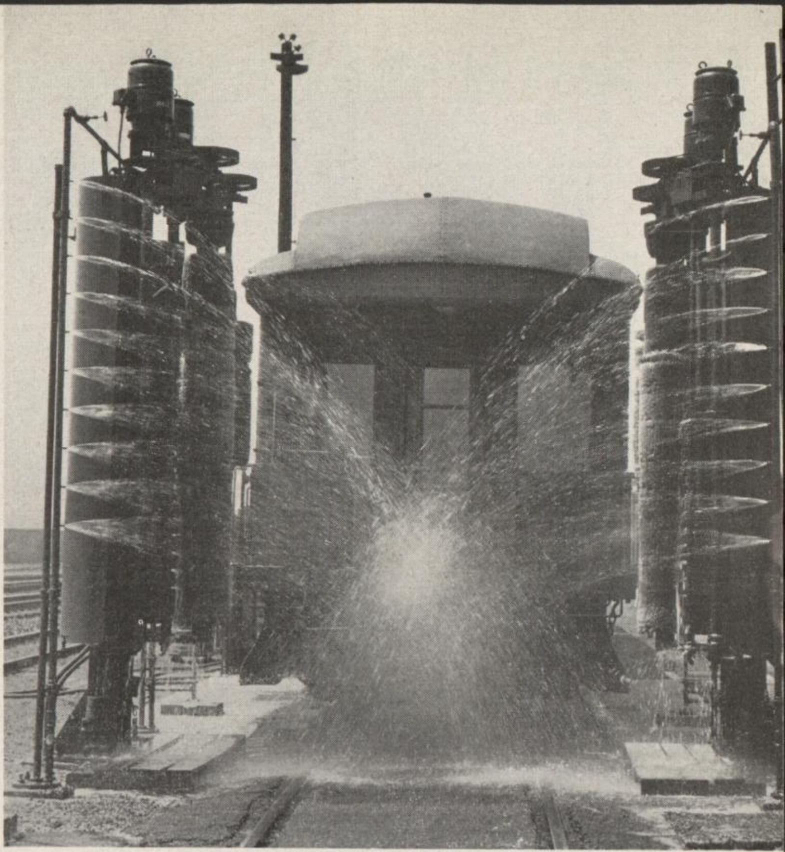
Diesel-Electrics

Since November, 1946, three 2,000-horsepower diesel-electric passenger locomotives have been placed in service on your railroads. Named in honor of Jersey Central Lines employes who gave their lives in World War II, these new locomotives have proved so successful that orders for three more of them were recently placed with the Baldwin Locomotive Works at the same price of $180,025 each that was paid for the first three.

The three diesel-electrics now in service have taken over the duties formerly performed by eight steam locomotives, with a resulting saving in fuel and operating costs. In addition, these new locomotives have enabled your railroads to provide faster, cleaner and smoother rides for their patrons.

The three diesel-electrics were named for our honored war dead in appropriate christening ceremonies held at their home towns. Large audiences witnessed each christening as the widows or children of the men honored smashed ribbon-bedecked bottles of champagne across the front ends of the locomotives. Similar ceremonies are planned for the

AS MANY AS 100 passenger coaches a day roll through this heavy-duty car-washing machine at Jersey City. Shown here about to water rinse a string of cars, the electric-powered washer first sprays them with a cleaning compound that loosens dirt and grime. Cars move through the machine twice for each cleaning—once in each direction—at the rate of one car a minute. Cleaning schedule calls for each of our passenger coaches to be scrubbed an average of once a week. Installed in April 1942, the washer was one of the first of its type in the east.



naming of all diesel equipment to be purchased by your railroads.

The first diesel-electric was named in honor of Frank J. Perkins, a passenger trainman killed in the D-Day invasion of Normandy, France; the second for Joseph J. Tarpey, an accounting department clerk who lost his life in a bombing raid over Austria, and the third for Elmer F. Shinn, a stenographer fatally wounded on a battlefield in Germany.

This summer we are expecting delivery of five of the ten diesel-electric freight locomotives that have been ordered by Central of Pennsylvania. These freight locomotives, which will cost about $430,000 each, are expected to sharply reduce operating costs and at the same time to speed up freight service.

During the spring of 1947 your railroads also made extensive tests of a versatile new type 1,500-horsepower diesel-electric locomotive. This locomotive is designed for light passenger service and various freight duties, such as transfer runs, yard and pusher work. Preliminary studies indicate this type locomotive can be utilized almost 24 hours a day and relatively extensive purchases of this type of locomotive are under consideration.

Other New Equipment, and Other Improvements

Central of Pennsylvania has placed orders for 1,383 new freight cars which will cost approximately $5,489,287. The orders call for 1,250 fifty-ton box cars at a total expected cost of $4,908,112; 125 seventy-ton cement hopper cars at a total cost of $535,575 and eight seventy-ton covered hopper cars for the transport of zinc ore at a total cost of $45,600.

These new freight cars will replace some worn-out cars we have been forced to retire and also add to our present equipment, thus reducing rental charges now assessed by foreign roads for use of their cars.

Within the past few weeks Central of New Jersey has engaged Howard Ketcham, Inc., of New York, design and color engineers, to develop plans, under a long-range program, for the modernization of the interiors of passenger coaches and some principal passenger stations. The firm, which is headed by Howard Ketcham of Westfield, N. J., a Jersey Central commuter, is regarded as one of the top organizations of its kind in the world.

During 1946 we continued the program of providing better lighting for passenger coaches of your companies by spending $46,668 for the installation of head-end lighting to replace the outmoded battery lighting which was standard on all Jersey Central Lines coaches before 1944.

In 1946 a new automobile unloading platform was constructed at Brills Yard, Newark, N. J., at a cost of $19,835. The platform, built of creosoted timber, is 400 feet long, 16 feet wide and can accommodate about 60 automobiles at one time. Under a 50-foot roofed section of the platform is a pit for use in preparing cars for immediate highway travel. When automobile manufacturers reach the peak of their production it is expected about 25,000 cars will be handled at the platform annually.

Other expenditures made for improvements in 1946 included: $29,104 for new freight handling equipment at Piers 11 and 14, Jersey City, N. J., to speed up and reduce the cost of the movement of lighterage freight; $72,658 for the betterment of rail and other track materials; $149,904 for respacing signals between Jersey City and Bayonne, N. J., in accordance with I. C. C. requirements, and $36,310 for the purchase of machinery for the Elizabethport (N. J.) Shops.

Serious study is being given to the desirability of constructing a huge modern freight terminal and classification yard on property owned by the Central of New Jersey along the Elizabeth-Newark Branch of that railroad.

Such a facility, which preliminary estimates indicate would cost about $11,500,000 to construct, would be the most modern freight terminal and yard in the East. When and if completed, the new yard is expected to produce annual net savings in operating expenses and increased efficiency estimated at more than $900,000. The new terminal would eliminate or relegate to minor importance many of the 18 freight yards now used in Jersey City, Elizabethport, Newark and Bayonne where more than 60 per cent of the company's present switching service is performed. The length of the tracks in these 18 yards averages only about 30 car lengths and results in excessive car handling, operating expense, delay and per diem charges on cars. Some of the tracks in the proposed new yard would accommodate 125 cars, sufficient to make up and handle complete trains. In addition to the operating savings which would be realized from the new facility, service to shippers in the area would be improved and location of new industries on our lines made much more attractive.

Retirements

The Central Railroad of New Jersey has applied to the Interstate Commerce Commission for authority to abandon the part of its New York-Newark branch between Kearny and its Jersey City Terminal, an approximate four-mile stretch. A hearing on the application was held on June 25, 1947.

Train service has not been operated on the section of the branch between Kearny and West Side Avenue, Jersey City, since February 3, 1946, when two spans of the railroad's bridge over the Hackensack River between those two points were knocked into the river by a coal steamer.

Since the accident the railroad has been operating passenger train service between West Side Avenue and its Jersey City Terminal and bus service between Kearny and the Terminal. It is believed that buses can adequately handle all of this short haul passenger traffic.

In his petition for abandonment filed with the I. C. C., Trustee Gardner pointed out that operation o the New York-Newark Branch, which began in 1869, had during recent years resulted in substantial out-of-pocket losses because of a steady decline in the number of passengers using it and because of rising taxes and costs of operation.

It will cost the railroad from $189,468 to $240,049 to repair the present bridge and ultimately it would be forced, under orders issued by the War Department, to construct a new bridge costing approximately $4,158,630 to continue operations on the unprofitable branch. Approximately $392,491 of the cost of constructing the new bridge, which only would be for the purpose of improving river navigation, would have to be borne by the Central of New Jersey.

Ownership, maintenance and operation of a new bridge would require an increased annual expenditure of $165,000 above present losses, largely due to taxes which would be levied by the State of New Jersey on the full value of the new bridge. A bill designed to give railroads relief from increased taxes under such circumstances was passed unanimously by both Houses of the 1946 New Jersey Legislature, but it was vetoed by the Governor.

Switching service to industries on the New York-Newark Branch has not been affected by the damaging of the Hackensack bridge and plans submitted to the I. C. C. provide that the railroad will continue to maintain a single industrial track on the portion of the branch to be abandoned and that it will continue to furnish the same switching service as now provided.

During 1946 the Central of New Jersey retired Pier 9 at Jersey City with resulting retirement charges of $144,998. For many years this pier had been leased to an outside concern, but it withdrew from the property and for a time your railroad used the pier for minor operations. In November, 1945, all operations at the Pier were abandoned as a result of structural failure of a part of the pier. The cost of reconstruction of the pier was not justified by the small amount of business being handled thereon.

Industrial Development

With the ending of World War II a trend toward the decentralization and expansion of America's industrial power was envisaged by officers of your companies. As a result, after a full measure of study and preparation for the eventuality, it was decided to revitalize the Industrial Department of your railroads so that they would not suffer in the stiff competition for industries seeking to establish at numerous vantage points along the Eastern seaboard.

As a result of this step the Industrial Department, which is headed by Mr. Ross E. Rowland, who has been connected with the Jersey Central Lines since 1935, was successful in having 78 new industries locate along the lines of your railroads in 1946. An annual potential yield of approximately 28,000 carloads of freight is expected to result from the acquisition of these new industries. During the same year, 20 firms, giving us approximately 5,300 carloads of freight annually, removed their operations from along your lines. This gave us a net gain of 58 industries and 22,700 carloads of freight. This gain was added to 33 concerns, yielding 4,500 carloads of freight annually, which located along the lines of your railroad in 1945.

While records of pre-war years are not available, it is reasonable to assume that 1946 was the most successful in the recent history of your railroads in having new industries take their place along the Jersey Central Lines.

Employe Relations

Within recent months your companies put into effect a "pre-Employment Testing Program" designed to improve selection of new workers and to effect more suitable placement for them. Few railroads in the nation have such a program.

Administered by the Employment and Personnel Bureau in the General Manager's office, the program provides for the "screening" of all job applicants, except so-called common laborers, in an effort to determine the range of their general mental ability and to detect traits required to perform the work for which they apply.

Test results, all of which are confidential, are used to supplement interviewers' judgment and to place the hiring of workers on an impartial basis. Acceptable job applicants are placed in positions for which they qualify and then during a 60-day "probationary period" the Employment Bureau follows closely the job performance of each new employe.

The beneficial effects of such a program are expected to become more apparent as the years go by.

The employes' Suggestion Plan of your companies celebrated its first birthday on September 10, 1946, and it is continuing to be successful in the gleaning of ideas for improving our services, safety and working conditions, for eliminating waste and for increasing revenues.

Since inauguration of the plan and up until February 28, 1947, employes had submitted 1,404 suggestions and 144 of them received cash awards totaling $2,377 for their ideas.

Deaths, Retirements and Appointments

On May 11, 1947, Mr. Howard L. Kern, general counsel for the Central of New Jersey since May 1, 1941, died from a heart attack at his home in West Orange, N. J. Before joining your railroads, Mr. Kern for many years was connected with the International Telephone and Telegraph Corporation and with its subsidiary companies. From 1914 to 1919 he served as Attorney General of Puerto Rico. His successor as general counsel has not yet been named.

Since March 1946 three veteran officers of your companies have retired. They are Mr. Charles L. Ewing, who since 1939 had been chief freight traffic officer; Mr. Walter V. Shipley, who had been passenger traffic manager since 1929, and Mr. Matthew L. McElheny, assistant to the chief freight traffic officer and formerly general manager of the Central of New Jersey. Mr. Ewing retired October 1, 1946, Mr. Shipley on March 1, 1946 and Mr. McElheny on January 1, 1947.

Mr. Don Y. Smith, general freight traffic manager since 1939, was named to succeed Mr. Ewing, and Mr. Harry E. Yerkes, assistant general passenger agent since 1931, was appointed Mr. Shipley's successor.

Other appointments made within the past year included:

Mr. Thomas H. Irwin and Mr. John F. Hourigan, both of whom had been assistant freight traffic managers, as freight traffic managers.

Mr. Richard J. Sullivan as assistant freight traffic manager.

Mr. Thomas F. Clarkin, who had been district passenger agent at New York, as assistant general passenger agent.

Mr. Harry A. Walsh as tax attorney.

All of the new appointees with the exception of Mr. Sullivan and Mr. Walsh have served many years with the Jersey Central Lines. Mr. Sullivan resigned as New England freight agent for the New York, Ontario and Western Railroad to join your railroads. Mr. Walsh was for 17 years a deputy attorney general of New Jersey.

William Wyer,
Chief Executive Officer, Central Railroad Company of New Jersey.

Walter P. Gardner,
Trustee, Central Railroad Company of New Jersey.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

GENERAL BALANCE SHEET

ASSETS	December 31, 1946	December 31, 1945	Increase	Decrease
Investments:				
Road and Equipment Property	$149,651,232.31	$151,665,258.79		$ 2,014,026.48
Improvements on Leased Property	13,717,893.45	13,679,067.94	$ 38,825.51	
Donations and Grants	#2,991,762.31	#2,991,676.99		85.32
Investment in Transportation Property	$160,377,363.45	$162,352,649.74		$ 1,975,286.29
Accrued Depreciation—Road	#3,455,271.12	#2,613,440.10		841,831.02
Accrued Depreciation—Equipment	#33,628,224.06	#33,397,076.39		231,147.67
Accrued Amortization of Defense Projects—Road	#416,069.83	#366,160.24		49,909.59
Accrued Amortization of Defense Projects—Equipment	#6,732,751.86	#6,737,507.92	4,756.06	
Investment in Transportation Property less recorded Depreciation and Amortization	$116,145,046.58	$119,238,465.09		$ 3,093,418.51
Capital and Other Reserve Funds	1,326,074.38	980,086.42	$ 345,987.96	
Maintenance Funds	1,015,507.82	1,331,660.16		316,152.34
Miscellaneous Physical Property	3,401,752.30	3,245,053.14	156,699.16	
Investments in Affiliated Companies,				
Stocks	6,274,251.02	4,494,151.02	1,780,100.00	
Bonds	2,407,000.00	2,422,000.00		15,000.00
Other Secured Obligations	40,000.00	40,000.00		
Unsecured Notes	665,000.00	665,000.00		
Investment Advances	6,632,303.85	6,545,535.82	86,768.03	
Other Investments,				
Stocks	1,603,046.78	1,603,046.78		
Bonds	8,360,635.44	7,944,483.10	416,152.34	
Reserve for Adjustment of Investment in Securities	#1,855,152.00	#1,855,152.00		
Total	$146,015,466.17	$146,654,329.53		$ 638,863.36
Current Assets:				
Cash	$ 3,272,456.26	$ 4,611,870.26		$ 1,339,414.00
Temporary Cash Investments	2,108,775.00	12,524,840.49		10,416,065.49
Special Deposits	141,481.23	163,667.81		22,186.58
Net Balance Receivable from Agents and Conductors	1,099,730.11	978,471.07	$ 121,259.04	
Miscellaneous Accounts Receivable	3,444,540.42	5,325,735.59		1,881,195.17
Material and Supplies	2,923,256.35	3,842,907.67		919,651.32
Interest and Dividends Receivable	75,028.07	99,400.59		24,372.52
Accrued Accounts Receivable	4,398,532.99	1,310,504.04	3,088,028.95	
Other Current Assets	59,475.03	48,164.99	11,310.04	
Total	$ 17,523,275.46	$ 28,905,562.51		$11,382,287.05
Deferred Assets:				
Working Fund Advances	$ 111,452.71	$ 111,809.42		$ 356.71
Insurance and Other Funds	1,195,261.52	1,145,093.78	$ 50,167.74	
Other Deferred Assets	308,512.48	532,396.87		223,884.39
Total	$ 1,615,226.71	$ 1,789,300.07		$ 174,073.36
Unadjusted Debits:				
Prepayments	$ 263,183.80	$ 56,612.72	$ 206,571.08	
Other Unadjusted Debits	16,812,546.82	1,134,237.21	15,678,309.61	
Securities Issued or Assumed—Unpledged ∅	1,267,000.00	1,267,000.00		
Total	$ 18,342,730.62	$ 2,457,849.93	$15,884,880.69	
Grand Total	$183,496,698.96	$179,807,042.04	$ 3,689,656.92	

# Denotes credit.   ∅ In Company's treasury.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

GENERAL BALANCE SHEET

LIABILITIES	December 31, 1946	December 31, 1945	Increase	Decrease
Stock:				
Capital Stock,				
Common—Authorized............$30,000,000.00				
Not Issued............ 2,563,200.00				
Outstanding........................	$ 27,436,800.00	$ 27,436,800.00		
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public..............	$ 318,184.64	$ 1,218,110.80		$ 899,926.16
Mortgage Bonds in Co.'s Treasury..............	1,267,000.00	1,267,000.00		
Mortgage Bonds with Public....................	48,731,000.00	48,731,000.00		
Total....................................	$ 50,316,184.64	$ 51,216,110.80		$ 899,926.16
Current Liabilities:				
Traffic and Car Service Balances—Credit...........	$ 3,278,845.15	$ 1,674,621.15	$ 1,604,224.00	
Audited Accounts and Wages Payable..............	2,682,552.54	2,840,671.06		$ 158,118.52
Miscellaneous Accounts Payable..................	985,470.63	726,567.00	258,903.63	
Interest Matured Unpaid........................	484.02	2,199.67		1,715.65
Dividends Matured Unpaid.......................	49,324.50	49,324.50		
Accrued Accounts Payable.......................	596,790.55	442,809.92	153,980.63	
Taxes Accrued..................................	1,487,837.63	13,245,114.55		11,757,276.92
Other Current Liabilities......................	377,062.07	1,298,111.71		921,049.64
Total....................................	$ 9,458,367.09	$ 20,279,419.56		$10,821,052.47
Deferred Liabilities:				
Interest in default............................	$ 19,108,603.75	$ 16,721,953.75	$ 2,386,650.00	
Other Deferred Liabilities.....................	113,655.84	111,356.78	2,299.06	
Total....................................	$ 19,222,259.59	$ 16,833,310.53	$ 2,388,949.06	
Unadjusted Credits:				
Insurance Reserves.............................	$ 1,091,211.33	$ 1,042,028.41	$ 49,182.92	
Maintenance Reserves...........................	823,015.68	1,327,433.41		$ 504,417.73
Other Unadjusted Credits.......................	15,708,000.08	375,440.29	15,332,559.79	
Accrued Depreciation—Leased Property...........	441,458.10	296,478.09	144,980.01	
Total....................................	$ 18,063,685.19	$ 3,041,380.20	$15,022,304.99	
Surplus:				
Earned Surplus—Appropriated....................	$ 62,809,990.57	$ 63,482,779.70		$ 672,789.13
Earned Surplus—Unappropriated................ⓧ	3,810,588.12	ⓧ 2,482,758.75		1,327,829.37
Total....................................	$ 58,999,402.45	$ 61,000,020.95		$ 2,000,618.50
Grand Total..............................	$183,496,698.96	$179,807,042.04	$ 3,689,656.92	

ⓧ Denotes debit.

CONTINGENT TAX LIABILITY STATEMENT

(An integral part of the General Balance Sheet)

INCLUDED in this balance sheet are the following items relating to New Jersey State Taxes for the years 1932 to 1940, inclusive:

ASSETS

Account 727—"Other Unadjusted Debits"		
Payment to State May 6, 1946 pursuant to Order #333 of the Bankruptcy Court (United States District Court, District of New Jersey).......		$15,250,000.00

LIABILITIES

Account 778—"Other Unadjusted Credits"		
Principal............	$13,438,669.19	
Interest.............	1,811,330.81	
		15,250,000.00
Account 767—"Taxes Accrued"		
Principal............	$ 126,042.40	
Interest.............	116,208.63	242,251.03
		$15,492,251.03

The figure of $15,250,000.00 included in Account 727, "Other Unadjusted Debits," represents the payment which the Trustee made to the State of New Jersey on May 6, 1946, under authority of Order No. 333, on account of the tax claims of the State for the years 1932 to 1940, inclusive. This amount is included in the balance sheet as an "unadjusted" item because it is not presently known how said payment will finally be applied as between principal and interest. The manner of applying this payment is one of the issues yet to be determined by the Court. The Trustee contends that the amount of the tax liability was definitely fixed by a Compromise Agreement under Section 27 of the Federal Bankruptcy Act based upon the State's offer of compromise contained in the Settlement Acts hereinafter described, while the State contends that any such compromise was nullified when the State Courts held the Settlement Acts unconstitutional. If the final determination upholds the Trustee's position, the $15,250,000.00 payment not only will have discharged the State's claim in full, but also will leave a small credit applicable against future taxes. If the final determination should uphold in full what are understood to be the State's contentions, then the $15,250,000.00 payment will fall short to the extent of approximately $16,000,000.00 of discharging the State's maximum possible claim as of December 31, 1946.

The figure of $13,438,669.19 included in Account 778 represents the total principal amount of taxes originally claimed by the State as unpaid for the years 1932 to 1940, inclusive, in amount of $13,438,735.95, less an adjustment of $66.76 made by the Board of Tax Appeals in the taxes for the year 1937.

The figure of $1,811,330.81 included in Account 778 represents so much of the interest which the Trustee has accrued at 3 per cent per annum on the principal amount of New Jersey State taxes as would be covered by the $15,250,000.00, if $13,438,669.19 of said payment is applied to tax principal in the final determination of tax liability to the State of New Jersey. It approximates (but slightly exceeds) interest which the Trustee contends is payable under the Tax Settlement Acts, that is, interest at 3 per cent per annum from December 1, 1940 on the respective balances remaining due after giving appropriate credit against principal for the various tenders made under the Tax Settlement Acts and for the payment made pursuant to Order 333.

The figure of $126,042.40 included in Account 767 represents an attempted increase made by the Board of Tax Appeals in 1942 of the original tax assessment for the year 1939. The figure of $116,208.63 included in Account 767 represents the balance in addition to the $1,811,330.81 of said interest which the Trustee has accrued at 3 per cent on the principal of New Jersey State taxes. Such accruals extended from December 1, 1940 to March 31, 1946, on the principal amounts of unpaid taxes shown on Trustees' books during such period.

The history of the New Jersey tax claims to which the foregoing figures relate is amplified below.

The debtor and later the Trustees have for many years been contesting the validity and amount of the property taxes and penalties claimed by the State of New Jersey against the debtor's estate for taxes for years 1932 to 1940, inclusive. During the period 1932 to 1940, payments were made to the State in amounts equal to the amounts which the debtor (and later the Trustees) admitted to be due, and the balances, in dispute, were not paid.

After institution of the reorganization proceedings, the State on December 10, 1940 filed in the Bankruptcy Court its "Proof of Claim" for the unpaid taxes alleged to be due for the years 1932 to 1939, inclusive, consisting of a claim for $12,117,450.68 principal amount, plus interest at 1 per cent per month amounting to $7,732,339.53 to December 1, 1940 and interest thereafter at the rate of 1 per cent monthly until date of payment. The Trustees filed detailed objections to this claim. The State also filed its claim in the Bankruptcy Court for unpaid taxes for the year 1940, amounting to $1,321,285.27, plus interest at 1 per cent per month from December 1, 1940. The total principal amounts claimed by the State as unpaid for the years 1932 to 1940, inclusive, therefore aggregated $13,438,735.95.

Before any determination had been made by any court as to the debtor's tax liability for the years 1937, 1938, 1939 and 1940, the New Jersey Legislature enacted Chapter 290 of the laws of New Jersey of 1941 which was amended by Chapter 241 of the laws of 1942, known as the Tax Settlement Acts. Under these Acts, the Central, as well as other railroads, was permitted to pay the principal (plus interest at 3 per cent per annum from December 1, 1940) over a period of years (in the Central's case, 20 years), the State waiving any right to the accrued interest penalties. Pursuant to Bankruptcy Court order, the Trustees took all necessary steps to comply with the Acts and have continued to comply with them.

The Trustees tendered to the State Treasurer in the years 1941 to 1945, inclusive, various certified checks in amounts in excess of the required annual installments under the Tax Settlement Acts, plus 3 per cent interest on the unpaid balances. These certified checks were not cashed by the State Treasurer. The certified checks tendered in 1941, 1942 and 1943 were retained by the State Treasurer until just prior to the $15,250,000.00 payment referred to herein, when they were returned to the Trustee. The tenders in 1944 and 1945 were returned by the State Treasurer promptly after his receipt of them.

As a result of a civil information suit brought by the Attorney General of New Jersey in the New Jersey Courts in 1941, those courts in decisions by the Vice Chancellor in 1943, and by the Court of Errors and Appeals in 1944, declared the Tax Settlement Acts unconstitutional.

In supplemental and amended objections to the State's proof of claim, the Trustee is contending that the State Courts' decisions as to the validity of the Tax Settlement Acts is not binding on him and that the maximum amount he was required to pay for the years 1932 to 1940, inclusive, on account of the properties of the Jersey Central, was the amount necessary for compliance with the Tax Settlement Acts, to wit, a total amount of $13,438,669.19, plus interest at 3 per cent from December 1, 1940. (This figure differs by $66.76 from the heretofore stated total claimed by the State because of a minor adjustment in 1937 taxes.)

The present Attorney General in 1944 began contending that the Bankruptcy Court had no jurisdiction over the claims of the State of New Jersey for taxes alleged to be due for the years 1932 to 1939, inclusive. On March 5, 1945, the Bankruptcy Court held it had such jurisdiction. The State of New Jersey appealed this decision to the United States Circuit Court of Appeals, Third Circuit. On November 15, 1945, the said Circuit Court of Appeals reversed the decision of the Bankruptcy Court and held that the only matters left open for the Bankruptcy Court to pass upon were (1) mathematical error in the computation of the amount of the tax, (2) legal error in its assessment. On January 20, 1947, the U. S. Supreme Court reversed the Circuit Court in part and held that "the reorganization Court could properly entertain all objections to the claim except those involving the valuations underlying the assessments and the validity of those assessments."

On May 6, 1946, the Trustee paid to the State Treasurer $15,250,000.00 pursuant to Order #333 of the Bankruptcy Court. Said Order authorized and directed the Trustee to pay to the State of New Jersey $15,250,000.00

> "on account of tax claims of the State of New Jersey for the years 1932 to 1940, inclusive, including interest thereon, if any, said payment to be made upon the following conditions, to which the State of New Jersey by acceptance of said payment, shall be deemed to have expressly assented:
>
> (a) In the event that the claims of the State of New Jersey shall be finally determined to be an amount greater than said payment, said payment shall be deemed to have been applied in satisfaction of said claims, as finally determined, for each of the years commencing with 1940 and extending back through each of the preceding years and portion thereof that said payment shall be sufficient therefor, provided that with respect to any year for which such payment shall be sufficient to satisfy only a portion of the claim the application shall be deemed to have been made ratably as between the principal amount of the tax and the interest thereon, at the rate finally determined, computed to the date of said payment; and provided further, that if it shall be finally determined that this Court may direct the application of said payment solely to the satisfaction of the principal amount of said claims, the application of said payment shall be deemed to have been made solely in satisfaction of said principal amount;
>
> (b) In the event that the claims of the State of New Jersey shall be finally determined to be an amount less than said payment, the amount of such overpayment shall be credited by the Treasurer of the State of New Jersey upon the taxes next legally levied and payable to the State of New Jersey, subsequent to such determination, by the Trustee or the Debtor or any successor in title to substantially all of the properties of the Debtor located in the State of New Jersey;
>
> (c) In making said payment the Trustee may, in his discretion, use the funds represented by certified checks in the aggregate amount of $3,577,689.52 payable to the Treasurer of the State of New Jersey, and tendered to said Treasurer pursuant to Orders Nos. 123, 163, 178 and 216 entered herein, and for that purpose may regain possession of and surrender said checks for cancelation, without prejudice to effectiveness of said tenders or any other tenders or the legal consequences that may be found to have ensued therefrom. Except as otherwise provided in paragraph 1 of this Order, the making of said payment by the Trustee and the acceptance thereof by the State of New Jersey shall be without prejudice to the rights of or the positions asserted by either of them or any party hereto in litigation now or hereafter pending relating to said claims of the State of New Jersey."

The making and entry of the foregoing order was approved by the Attorney General of New Jersey. In addition, the Attorney General at a hearing before the Bankruptcy Court on November 27, 1946, stated that if it be assumed that the Settlement Acts are valid he did not believe "any further tenders are necessary in order to maintain the position of the Trustees to the end of these proceedings."

The Trustee still believes that the Settlement Acts are valid as to the Debtor's Estate and that, in view of the payment of $15,250,000.00 referred to above, the State's claim has been paid in full. The Trustee's books, however, still indicate a liability to the State in amount of $242,251.03. This is principally because the book figure includes $126,042.40 allegedly added to the original assessment for 1939 by the Board of Tax Appeals after the Trustees had complied with the Settlement Acts, and the resultant effect of said increase upon the calculations of interest accrued and paid. The Trustee considers this increase was illegal, but in accordance with good accounting practice, it was believed it should be tentatively reflected on the books.

None of the previously mentioned figures includes the principal amount of taxes alleged (in State's reply of December 12, 1944, to Trustee's supplemental and amended objections above referred to) to be due from Dover and Rockaway Railroad Company and Ogden Mine Railroad Company. (The Agreement leasing these properties to the debtor stipulates that the debtor shall pay the taxes thereon.) The principal of such taxes so alleged by the State to be due, covering the years 1933 to 1939, inclusive, amounts in the aggregate to $27,936.70, with interest claimed by the State to have accrued on said principal taxes to September 1, 1944, amounting to $19,563.22, plus 1 per cent per month thereafter until paid.

The unpaid taxes on these companies were the subject of tenders by the Trustees on August 11, 1941, and June 15, 1942, pursuant to the Tax Settlement Acts, in the following amounts:

Principal of unpaid taxes alleged, in State's "Proof of Claim" filed December 10, 1940, to be due for 1934 to 1939, inclusive (no assertion being made in said "Proof of Claim" that any taxes were unpaid for 1933)	$18,856.96
Principal of unpaid taxes for year 1940	2,104.71
Total Principal	20,961.67
Interest at 3 per cent from December 1, 1940 to June 15, 1942	968.26
Total Amount, tendered by Trustees' certified checks still in possession of State Treasurer	$21,929.93

PROFIT AND LOSS

Debit Balance December 31, 1945	$2,482,758.75	
Debit Balance transferred from Income	1,978,525.90	
Surplus Appropriated for Investment in Physical Property	48,966.70	
Miscellaneous Debits	145,876.78	
Total Debits		$4,656,128.13
Miscellaneous Credits		845,540.01
Debit Balance December 31, 1946		$3,810,588.12

LONG TERM DEBT

MORTGAGE BONDS

	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
Coupon 5%	July 1, 1887	July 1, 1987	$17,649,000.00	$ 1,133,000.00	$16,516,000.00	Jan. and July	$ 825,925.00
Registered 5%	July 1, 1887	July 1, 1987	27,349,000.00	124,000.00	27,225,000.00	Jan., April July and Oct.	1,361,125.00
Coupon 4%	Jan. 1, 1928	July 1, 1987	4,649,000.00	10,000.00	4,639,000.00	Jan. and July	185,610.00
Registered 4%	Jan. 1, 1928	July 1, 1987	351,000.00		351,000.00	Jan., April July and Oct.	13,990.00
Total			$49,998,000.00	$ 1,267,000.00	$48,731,000.00		$ 2,386,650.00

EQUIPMENT OBLIGATIONS

CONDITIONAL PURCHASE CONTRACTS

2⅜%	June 1, 1942	June 1, 1947	$ 2,581,088.00		—	Monthly	$ 5,278.56
1¾%	May 1, 1944	April 1, 1949	62,800.00		$ 29,306.48	Monthly	3,214.55
1¾%	June 1, 1944	May 1, 1949	125,600.00		60,706.28	Monthly	
1¾%	Sept. 1, 1944	Aug. 1, 1949	125,600.00		64,892.92	Monthly	
1¾%	Aug. 1, 1944	July 1, 1949	251,200.00		129,785.84	Monthly	3,361.09
1¾%	Sept. 1, 1944	Aug. 1, 1949	62,800.00		33,493.12	Monthly	
Total			$ 3,209,088.00		$ 318,184.64		$ 11,854.20
Grand Total Long Term Debt			$53,207,088.00	$ 1,267,000.00	$49,049,184.64		$ 2,398,504.20

THE CENTRAL RAILROAD CO. OF NEW JERSEY

INCOME ACCOUNT

	1946	1945	Increase or Decrease	
			Amount	Per Cent
Freight	$32,765,441.85	$44,801,121.72	*$12,035,679.87	* 27
Passenger	6,396,700.54	7,093,139.51	* 696,438.97	* 10
Baggage	1,784.36	2,042.69	* 258.33	* 13
Parlor and Chair Car	14,596.77	17,251.90	* 2,655.13	* 15
Mail	237,759.29	260,585.18	* 22,825.89	* 9
Express	120,813.38	760,238.86	* 639,425.48	* 84
Other Passenger Train	49,097.89	40,114.29	8,983.60	22
Milk	5,570.95	5,187.25	383.70	7
Switching	53,068.22	56,990.78	* 3,922.56	* 7
Water Transfer—Freight	6,540.17	6,626.46	* 86.29	* 1
Water Transfer—Passenger	244,451.20	242,205.55	2,245.65	1
Water Transfer—Vehicles and Live Stock	243,713.28	238,052.42	5,660.86	2
Water Transfer—Other	8,899.80	8,111.14	788.66	10
Dining and Buffet	67,478.49	78,020.13	* 10,541.64	* 14
Hotel and Restaurant	204,597.29	276,506.13	* 71,908.84	* 26
Station and Train Privileges	180,585.28	184,534.42	* 3,949.14	* 2
Parcel Room	7,901.50	9,056.10	* 1,154.60	* 13
Storage—Freight	96,824.50	75,045.60	21,778.90	29
Storage—Baggage	547.12	738.60	* 191.48	* 26
Demurrage	586,933.97	580,986.47	5,947.50	1
Telegraph and Telephone	5,125.92	8,312.58	* 3,186.66	* 38
Rents of Buildings and Other Property	135,838.32	133,798.04	2,040.28	2
Miscellaneous	446,841.10	653,641.40	* 206,800.30	* 32
Joint Facility—Cr.	17,758.98	17,839.52	* 80.54	
Joint Facility—Dr.	2,401.57	3,177.60	776.03	24
Total Operating Revenues	$41,896,468.60	$55,546,969.14	*$13,650,500.54	* 25
MAINTENANCE OF WAY AND STRUCTURES ROADWAY AND TRACK				
Roadway Maintenance	$ 301,796.83	$ 390,822.32	*$ 89,025.49	* 23
Ties	393,737.16	323,135.60	70,601.56	22
Rails	75,290.28	151,122.41	* 75,832.13	* 50
Other Track Material	194,360.59	323,462.54	* 129,101.95	* 40
Ballast	41,395.54	41,417.67	* 22.13	
Track Laying and Surfacing	1,302,030.78	1,364,665.46	* 62,634.68	* 5
Fences, Snowsheds and Signs	10,817.09	12,365.83	* 1,548.74	* 13
Roadway Machines	30,042.58	28,329.13	1,713.45	6
Small Tools and Supplies	36,572.20	44,640.10	* 8,067.90	* 18
Removing Snow, Ice and Sand	109,177.93	357,441.26	* 248,263.33	* 69
Total	$ 2,495,220.98	$ 3,037,402.32	*$ 542,181.34	* 18
BRIDGES AND STRUCTURES				
Tunnels and Subways	$ 7,943.98	$ 12,074.29	*$ 4,130.31	* 34
Bridges, Trestles and Culverts	203,162.68	226,126.61	* 22,963.93	* 10
Station and Office Buildings	276,723.29	316,387.87	* 39,664.58	* 13
Roadway Buildings	8,041.93	8,215.07	* 173.14	* 2
Water Stations	41,398.51	46,671.15	* 5,272.64	* 11
Fuel Stations	29,033.54	26,635.80	2,397.74	9
Shops	64,921.90	110,198.73	* 45,276.83	* 41
Enginehouses	98,899.54	105,387.05	* 6,487.51	* 6
Wharves and Docks	160,826.95	187,716.54	* 26,889.59	* 14
Coal and Ore Wharves	94,349.74	124,845.79	* 30,496.05	* 24
Power Plants	15,914.75	14,865.91	1,048.84	7
Power—Transmission Systems	34,455.33	31,610.29	2,845.04	9
Miscellaneous Structures	63.31	117.03	* 53.72	* 46
Total	$ 1,035,735.45	$ 1,210,852.13	*$ 175,116.68	* 14
OTHER				
Superintendence	$ 343,766.28	$ 342,910.18	$ 856.10	
Telegraph and Telephone Lines	28,248.82	34,258.41	* 6,009.59	* 18
Signals and Interlockers	458,220.79	562,597.31	* 104,376.52	* 19
Public Improvements—Maintenance	56,761.69	64,058.35	* 7,296.66	* 11
Injuries to Persons	35,375.83	22,399.94	12,975.89	58
Insurance	23,715.46	38,118.39	* 14,402.93	* 38
Stationery and Printing	3,546.14	5,032.65	* 1,486.51	* 30
Other Expenses	8,313.50	2,005.57	6,307.93	315
Total	$ 957,948.51	$ 1,071,380.80	*$ 113,432.29	* 11

* Denotes decrease.

INCOME ACCOUNT...Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
RETIREMENTS, DEPRECIATION AND RESERVES				
Road Property—Depreciation	$ 957,910.37	$ 1,016,599.61	*$ 58,689.24	* 6
Retirements—Road	26,209.25	1,118,661.40	* 1,092,452.15	* 98
Deferred Maintenance-Way and Structures	#318,575.49	#87,751.11	* 230,824.38	* 263
Dismantling Retired Road Property	83,510.96	45,855.24	37,655.72	82
Road-Amortization of Defense Projects	49,909.59	212,133.51	* 162,223.92	* 76
Total	$ 798,964.68	$ 2,305,498.65	*$ 1,506,533.97	* 65
JOINT FACILITIES				
Maint. Jt. Trks., Yds., and Other Facil.—Dr	$ 308,392.51	$ 386,774.21	*$ 78,381.70	* 20
Maint. Jt. Trks., Yds., and Other Facil.—Cr.	149,254.68	208,760.88	59,506.20	29
Total	$ 159,137.83	$ 178,013.33	*$ 18,875.50	* 11
Total Maintenance of Way and Structures	$ 5,447,007.45	$ 7,803,147.23	*$ 2,356,139.78	* 30
MAINTENANCE OF EQUIPMENT DIRECT EXPENSES				
Superintendence	$ 254,721.56	$ 245,638.03	$ 9,083.53	4
Shop Machinery	97,837.73	115,205.91	* 17,368.18	* 15
Power-Plant Machinery	114,333.62	139,321.30	* 24,987.68	* 18
Steam Locomotives—Repairs, Classified	825,056.36	1,028,985.59	* 203,929.23	* 20
Steam Locomotives—Repairs, Running	2,127,958.94	2,156,431.83	* 28,472.89	* 1
Steam Locomotives—Repairs, Total	2,953,015.30	3,185,417.42	* 232,402.12	* 7
Other Locomotives—Repairs	166,800.26	142,081.80	24,718.46	17
Freight-Train Cars—Repairs	1,876,841.70	2,194,939.70	* 318,098.00	* 14
Passenger-Train Cars—Repairs	738,098.27	749,492.51	* 11,394.24	* 2
Floating Equipment—Repairs	714,668.93	629,568.18	85,100.75	14
Work Equipment—Repairs	101,331.40	101,573.67	* 242.27	
Miscellaneous Equipment—Repairs	5,009.08	6,219.06	* 1,209.98	* 19
Injuries to Persons	57,637.21	103,469.34	* 45,832.13	* 44
Insurance	38,735.78	58,546.47	* 19,810.69	* 34
Stationery and Printing	8,122.76	10,292.47	* 2,169.71	* 21
Other Expenses	15,057.01	827.18	14,229.83	
Total	$ 7,142,210.61	$ 7,682,593.04	*$ 540,382.43	* 7
RETIREMENTS, DEPRECIATION AND RESERVES				
Shop and Power-Plant Machinery—Depreciation	$ 72,144.70	$ 79,852.24	*$ 7,707.54	* 10
Dismantling Retired Shop and Power Plant Machinery	23.32	160.35	* 137.03	* 85
Dismantling Retired Equipment	3,155.75	3,000.64	155.11	5
Retirements—Equipment	#4,301.40	143.86	* 4,445.26	
Equipment—Depreciation	1,167,401.63	1,379,989.55	* 212,587.92	* 15
Equipment—Amortization of Defense Projects	—	3,538,677.88	* 3,538,677.88	
Deferred Maintenance—Equipment	#185,842.24	165,711.73	* 351,553.97	* 212
Total	$ 1,052,581.76	$ 5,167,536.25	*$ 4,114,954.49	* 80
JOINT FACILITIES				
Joint Maintenance of Equipment Expenses—Dr	$ 3,536.52	$ 5,435.50	*$ 1,898.98	* 35
Joint Maintenance of Equipment Expenses—Cr	46,655.41	81,757.37	* 35,101.96	* 43
Total	$ #43,118.89	$ #76,321.87	$ 33,202.98	43
Total Maintenance of Equipment	$ 8,151,673.48	$12,773,807.42	*$ 4,622,133.94	* 36
TRAFFIC				
Superintendence	$ 318,942.92	$ 315,964.52	$ 2,978.40	1
Outside Agencies	276,345.02	278,562.09	* 2,217.07	* 1
Advertising	43,205.75	58,925.44	* 15,719.69	* 27
Traffic Associations	22,558.25	28,620.15	* 6,061.90	* 21
Insurance	312.91	282.32	30.59	11
Stationery and Printing	33,082.19	31,119.23	1,962.96	6
Other Expenses	40.49	#3,454.54	3,495.03	
Total Traffic	$ 694,487.53	$ 710,019.21	*$ 15,531.68	* 2
TRANSPORTATION SUPERVISING TRANSPORTATION				
Superintendence	$ 284,780.08	$ 304,568.32	*$ 19,788.24	* 6
Dispatching Trains	128,054.23	153,438.08	* 25,383.85	* 17
Total	$ 412,834.31	$ 458,006.40	*$ 45,172.09	* 10

# Denotes credit. * Denotes decrease.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

INCOME ACCOUNT...Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
STATION SERVICE				
Station Employes—Elizabethport Transfer	$ 347,045.39	$ 223,286.96	$ 123,758.43	55
Station Employes—Other Platform Forces	169,997.84	173,614.83	* 3,616.99	* 2
Station Employes—Lighterage	454,684.11	449,112.01	5,572.10	1
Station Employes—Other Freight	1,281,594.31	1,217,919.95	63,674.36	5
Station Employes—Passenger	1,007,118.05	938,140.89	68,977.16	7
Station Employes—Total	3,260,439.70	3,002,074.64	258,365.06	9
Weighing, Inspection and Demurrage Bureaus	26,701.93	21,848.95	4,852.98	22
Coal and Ore Wharves	366,265.26	362,767.02	3,498.24	1
Station Supplies and Expenses	416,845.12	397,317.48	19,527.64	5
Total	$ 4,070,252.01	$ 3,784,008.09	$ 286,243.92	8
YARD SERVICE				
Yardmasters and Yard Clerks	$ 627,172.09	$ 694,519.83	* $ 67,347.74	* 10
Yard Conductors and Brakemen—Freight	1,720,554.98	1,927,856.41	* 207,301.43	* 11
Yard Conductors and Brakemen—Passenger	140,197.30	149,936.21	* 9,738.91	* 6
Yard Conductors and Brakemen—Adjustments	11,773.72	97,350.16	* 85,576.44	* 88
Yard Conductors and Brakemen—Total	1,872,526.00	2,175,142.78	* 302,616.78	* 14
Yard Switch and Signal Tenders	88,671.52	105,901.12	* 17,229.60	* 16
Yard Enginemen—Freight	678,700.21	788,568.25	* 109,868.04	* 14
Yard Enginemen—Passenger	58,871.44	54,876.71	3,994.73	7
Yard Enginemen—Adjustments	—	3,669.67	* 3,669.67	
Yard Enginemen—Total	737,571.65	847,114.63	* 109,542.98	* 13
Yard Motormen—Freight	452,647.49	458,144.01	* 5,496.52	* 1
Yard Motormen—Passenger	42,809.48	38,992.94	3,816.54	10
Yard Motormen—Total	495,456.97	497,136.95	* 1,679.98	
Yard Switching Fuel	536,871.46	650,498.64	* 113,627.18	* 17
Water for Yard Locomotives	36,833.87	37,000.11	* 166.24	
Lubricants for Yard Locomotives	17,442.08	18,466.75	* 1,024.67	* 6
Other Supplies for Yard Locomotives	5,404.88	6,621.63	* 1,216.75	* 18
Enginehouse Expenses—Yard	206,244.44	209,708.46	* 3,464.02	* 2
Yard Supplies and Expenses	40,752.89	48,717.34	* 7,964.45	* 16
Oper. Jt. Yards and Terminals—Dr.	64,872.34	66,586.36	* 1,714.02	* 3
Oper. Jt. Yards and Terminals—Cr.	383,627.96	621,431.45	237,803.49	38
Total	$ 4,346,192.23	$ 4,735,983.15	* $ 389,790.92	* 8
ROAD ENGINE SERVICE				
Train Enginemen—Freight	$ 1,013,459.89	$ 1,306,559.28	* $ 293,099.39	* 22
Train Enginemen—Passenger	786,422.20	743,528.99	42,893.21	6
Train Enginemen—Adjustments	42,658.24	3,409.91	39,248.33	
Train Enginemen—Total	1,842,540.33	2,053,498.18	* 210,957.85	* 10
Train Motormen—Freight	2,701.83	761.42	1,940.41	255
Train Motormen—Passenger	10,520.43	6,603.89	3,916.54	59
Train Motormen—Total	13,222.26	7,365.31	5,856.95	80
Train Fuel—Freight	1,635,929.25	2,278,375.57	* 642,446.32	* 28
Train Fuel—Passenger	1,127,438.73	1,228,754.54	* 101,315.81	* 8
Train Fuel—Total	2,763,367.98	3,507,130.11	* 743,762.13	* 21
Water for Train Locomotives	194,480.64	216,128.49	* 21,647.85	* 10
Lubricants for Train Locomotives	54,246.13	69,755.02	* 15,508.89	* 22
Other Supplies for Train Locomotives	30,718.68	39,571.15	* 8,852.47	* 22
Enginehouse Expenses—Train	902,557.13	923,431.91	* 20,874.78	* 2
Total	$ 5,801,133.15	$ 6,816,880.17	* $1,015,747.02	* 15
TRAIN SERVICE				
Trainmen—Freight	$ 988,681.09	$ 1,255,144.10	* $ 266,463.01	* 21
Trainmen—Passenger	1,116,269.81	1,039,812.45	76,457.36	7
Trainmen—Adjustments	100,045.43	193,352.81	* 93,307.38	* 48
Trainmen—Total	2,204,996.33	2,488,309.36	* 283,313.03	* 11
Train Supplies and Expenses—Ashley Planes	175,552.12	347,429.40	* 171,877.28	* 49
Train Supplies and Expenses—Other	877,743.72	935,557.96	* 57,814.24	* 6
Train Supplies and Expenses—Total	1,053,295.84	1,282,987.36	* 229,691.52	* 18
Total	$ 3,258,292.17	$ 3,771,296.72	* $ 513,004.55	* 14

* Denotes decrease.

INCOME ACCOUNT...Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
CASUALTIES				
Clearing Wrecks	$ 35,410.54	$ 30,408.42	$ 5,002.12	16
Damage to Property	14,380.65	20,796.76	* 6,416.11	* 31
Damage to Live Stock on Right of Way	—	90.54	* 90.54	
Loss and Damage—Freight	294,391.77	231,301.31	63,090.46	27
Loss and Damage—Baggage	271.97	293.89	* 21.92	* 7
Injuries to Persons	318,422.11	339,823.95	* 21,401.84	* 6
Total	$ 662,877.04	$ 622,714.87	$ 40,162.17	6
MISCELLANEOUS				
Signal and Interlocker Operation	$ 523,680.71	$ 527,997.79	* $ 4,317.08	* 1
Crossing Protection	375,574.01	365,639.51	9,934.50	3
Drawbridge Operation	47,750.61	56,344.20	* 8,593.59	* 15
Telegraph and Telephone Operation	97,566.76	91,992.29	5,574.47	6
Operating Floating Equipment—Passenger	555,120.32	498,487.33	56,632.99	11
Operating Car Floats—Freight	402,277.93	321,527.24	80,750.69	25
Operating Lighters—Freight	909,098.51	988,980.03	* 79,881.52	* 8
Operating Floating Equipment—Total	1,866,496.76	1,808,994.60	57,502.16	3
Stationery and Printing	78,362.82	73,519.97	4,842.85	7
Other Expenses	# 353,969.79	# 336,341.29	* 17,628.50	* 5
Other Expenses—Adjustments	# 29,477.39	# 287,628.82	258,151.43	90
Other Expenses—Total	# 383,447.18	# 623,970.11	240,522.93	39
Oper'g Joint Tracks and Facilities—Dr.	448,760.41	415,534.92	33,225.49	8
Oper'g Joint Tracks and Facilities—Cr.	57,205.68	66,975.64	9,769.96	15
Insurance	146,611.48	156,841.39	* 10,229.91	* 7
Total	$ 3,144,150.70	$ 2,805,918.92	$ 338,231.78	12
Total Transportation	$21,695,731.61	$22,994,808.32	* $1,299,076.71	* 6
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service	$ 86,327.53	$ 83,433.75	$ 2,893.78	3
Hotels and Restaurants	182,595.37	239,985.65	* 57,390.28	* 24
Total Miscellaneous Operations	$ 268,922.90	$ 323,419.40	* $ 54,496.50	* 17
GENERAL				
Salaries and Expenses of General Officers	$ 201,970.12	$ 210,256.15	* $ 8,286.03	* 4
Salaries and Expenses of Clerks and Attendants	1,172,467.26	1,091,785.51	80,681.75	7
General Office Supplies and Expenses	79,119.36	75,189.80	3,929.56	5
Law Expenses	272,362.62	284,237.49	* 11,874.87	* 4
Insurance	517.73	513.14	4.59	1
Pensions	40,677.99	40,364.63	313.36	1
Stationery and Printing	40,548.77	53,938.22	* 13,389.45	* 25
Valuation Expenses	1,014.83	533.88	480.95	90
Other Expenses	53,672.54	71,383.36	* 17,710.82	* 25
General Joint Facilities—Dr.	18,396.01	16,831.96	1,564.05	9
General Joint Facilities—Cr.	2,015.70	1,129.24	* 886.46	* 79
Total General	$ 1,878,731.53	$ 1,843,904.90	$ 34,826.63	2
Total Operating Expenses	$38,136,554.50	$46,449,106.48	* $8,312,551.98	* 18
Net Revenue from Railway Operations	$ 3,759,914.16	$ 9,097,862.66	* $5,337,948.50	* 59
Railway Tax Accruals:				
New Jersey Property	$ 841,709.16	$ 4,399,787.37	* $3,558,078.21	* 81
New Jersey Franchise	422,769.00	860,679.30	* 437,910.30	* 51
Federal Income	#1,154,658.92	#767,193.25	* 387,465.67	* 51
Pay Rolls	1,706,856.92	1,703,544.26	3,312.66	
Other	71,693.34	111,055.23	* 39,361.89	* 35
Total Taxes	$ 1,888,369.50	$ 6,307,872.91	* $4,419,503.41	* 70
Hire of Equipment—Cr.				
Freight Cars	$ 3,098,266.02	$ 4,085,741.00	* $ 987,474.98	* 24
Locomotives	67,556.38	90,888.04	* 23,331.66	* 26
Passenger-Train Cars	193,312.66	292,259.78	* 98,947.12	* 34
Floating Equipment	14,170.52	26,780.46	* 12,609.94	* 47
Work Equipment	14,007.25	12,483.81	1,523.44	12
Total	$ 3,387,312.83	$ 4,508,153.09	* $1,120,840.26	* 25

# Denotes credit.

* Denotes decrease.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

INCOME ACCOUNT...Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
Hire of Equipment—Dr.				
Freight Cars	$ 4,962,784.79	$ 6,187,661.97	* $1,224,877.18	* 20
Locomotives	80,657.72	58,449.77	22,207.95	38
Passenger-Train Cars	180,221.17	185,720.93	* 5,499.76	* 3
Floating Equipment	149,615.46	222,703.96	* 73,088.50	* 33
Work Equipment	1,352.67	2,201.61	* 848.94	* 39
Total	$ 5,374,631.81	$ 6,656,738.24	* $1,282,106.43	* 19
Hire of Equipment—Net	$†1,987,318.98	$†2,148,585.15	$ 161,266.17	8
Joint Facility Rent Income	$ 233,117.40	$ 357,301.18	* $ 124,183.78	* 35
Joint Facility Rents	470,870.95	853,356.82	* 382,485.87	* 45
Joint Facility Rents—Net	$† 237,753.55	$† 496,055.64	$ 258,302.09	52
Net Railway Operating Income	∅353,527.93	$ 145,348.96	* $ 498,876.89	* 343
NON-OPERATING INCOME				
Income from Lease of Road and Equipment	$ 1,201,640.19	$ 131,408.16	$1,070,232.03	814
Miscellaneous Rent Income	230,095.66	246,189.47	* 16,093.81	* 7
Miscellaneous Nonoper'g Phys, Property	63,173.93	89,042.92	* 25,868.99	* 29
Separately Operated Properties—Profit	4,611.00	4,553.38	57.62	1
Dividend Income	309,977.00	286,811.00	23,166.00	8
Income from Funded Securities	229,113.96	233,029.29	* 3,915.33	* 2
Income from Unfunded Sec. and Accounts	63,150.61	67,377.48	* 4,226.87	* 6
Income from Sinking & Other Res. Funds	69,289.73	35,715.22	33,574.51	94
Miscellaneous Income	50,187.29	42,703.43	7,483.86	18
Total Income	$ 1,867,711.44	$ 1,282,179.31	$ 585,532.13	46
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous Rents	$ 5,728.68	$ 4,595.09	$ 1,133.59	25
Miscellaneous Tax Accruals	#511.89	119,072.70	* 119,584.59	
Maintenance of Investment Organization	225.00	225.00		
Miscellaneous Income Charges	37,388.88	73,023.25	* 35,634.37	* 49
Total	$ 42,830.67	$ 196,916.04	* $ 154,085.37	* 78
Available for Fixed Charges	$ 1,824,880.77	$ 1,085,263.27	$ 739,617.50	68
FIXED CHARGES				
Rent for Leased Roads & Equipment	$ 1,402,188.88	$ 2,346,631.19	* $ 944,442.31	* 40
Interest on Funded Debt				
Interest on General Mortgage Bonds	2,386,650.00	2,386,650.00		
Interest on Cond'l Purchase Agreements	11,854.20	32,780.08	* 20,925.88	* 64
Interest on Unfunded Debt	2,713.59	4,038.94	* 1,325.35	* 33
Total Fixed Charges	$ 3,803,406.67	$ 4,770,100.21	* $ 966,693.54	* 20
Net Income	$∅1,978,525.90	$∅3,684,836.94	$1,706,311.04	46

# Denotes credit. ∅ Denotes deficit. † Denotes debit. * Denotes decrease.

SECURITIES

BONDS	Date of Maturity	Total Amount of Issue as of December 31, 1946	Owned by Companies	
			Par Value	Book Value
Affiliated Companies				
Allentown Terminal R. R. Co., 4½% First Mortgage Gold Bonds	1954	$ 450,000.00	$ 205,000.00	$ 205,000.00
Dover and Rockaway R. R. Co., 6% First Mortgage Bonds	Demand*	35,000.00	H 35,000.00	35,000.00
New York and Long Branch R. R. Co., 4% Cons. Mtge. Gold Bonds, Series "B"	1981	2,812,000.00	1,406,000.00	1,406,000.00
New York and Long Branch R. R. Co., 5% Cons. Mtge. Gold Bonds, Series "A"	1979	538,000.00	269,000.00	269,000.00
Newark Warehouse Company, 6% Gold Bond	Demand*	1,100,000.00	1,100,000.00	500,000.00
Total		x x x x	$3,015,000.00	$2,415,000.00
*Past Due				
OTHER INVESTMENTS				
New York City Bonds, 4%	1959		$ 50.00	$ 49.50
New York City Bonds, 3%	1980		A 72,400.00	73,931.00
New York City Bonds, 4½%	1957		A 3,000.00	3,000.00
New York City Bonds, 4%	1956		A 300.00	297.00
New York City Bonds, 4¼%	1964		B 10,700.00	10,987.50
U. S. Government Treasury Notes, 1½%, Series "A"	1948		3,950,000.00	3,989,882.81
U. S. Government Treasury Notes, 1¼%, Series "C"	1947		G 837,000.00	837,000.00
U. S. Government Treasury Notes, 1½%, Series "A"	1948		E 50,000.00	50,507.82
U. S. Government Treasury Notes, 1½%, Series "A"	1948		# 125,000.00	126,332.03
U. S. Government Treasury Bonds, 2%	1949–51		E 10,000.00	10,000.00
U. S. Government Treasury Bonds, 2½%	1962–67		E 600,000.00	600,000.00
U. S. Government Treasury Bonds, 2½%	1962–67		200,000.00	200,000.00
U. S. Government Treasury Bonds, 2%	1948–50		E 5,000.00	5,000.00
U. S. Government Treasury Bonds, 1¾%	1948		4,000,000.00	4,070,703.13
U. S. Government Treasury Bonds, 1¾%	1948		# 142,000.00	144,309.54
U. S. Government Treasury Bonds, 2½%	1967–72		C 10,000.00	10,000.00
U. S. Government Treasury Bonds, 2½%	1967–72		C 5,000.00	5,104.69
U. S. Government Savings Bonds, 2½%, Series "G"	1953		E 50,000.00	50,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1953		# 50,000.00	50,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1954		E 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1954		# 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1955		E 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1956		E 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1956		# 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1958		# 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G"	1958		100,000.00	100,000.00
U. S. Government Certificate of Indebtedness, ⅞%, Series "L"	1947		G 129,000.00	129,000.00
U. S. Government Certificate of Indebtedness, ⅞%, Series "B"	1947		F 2,100,000.00	2,100,000.00
U. S. Government Certificate of Indebtedness, ⅞%, Series "C"	1947		G 247,000.00	247,036.58
Total			$13,296,450.00	$13,413,141.60
Grand Total			$16,311,450.00	$15,828,141.60
Cash on deposit with New York State Insurance Fund			D$ 730.00	$ 730.00
Cash on deposit with First National Bank of New York			G 15,400.47	15,400.47
Checks in hands of Treasurer			G 89,637.33	89,637.33

A	Deposited with the City of New York under agreements	$75,700.00	Included in account "Insurance and Other Funds"
B	Deposited with the State of New York (State Industrial Commission)	10,000.00	
B	Deposited with the City of New York under agreements	700.00	
C	Deposited with the Federal Reserve Bank of New York under agreements with U. S. Employes Compensation Commission	10,000.00	
C	Deposited with the State of New York (State Industrial Commission)	5,000.00	
D	Deposits on annual premium for New York Workmen's Compensation Policy	730.00	
E	Deposited with Company's Treasurer until disbursed in settlement of charges incurred for deferred maintenance	1,015,000.00	Included in account "Maintenance Funds"
F	Temporary cash investment	2,100,000.00	Included in account "Temporary Cash Investments"
G	Deposits in lieu of mortgage property sold	1,318,037.80	Included in account "Capital and other Reserve Funds"
H	Deposited with Hudson Trust Co., Hoboken, N. J., Trustee under the Dover and Rockaway R. R. Mortgage	8,000.00	Included in account "Capital and other Reserve Funds"
#	Owned by Wharton and Northern R. R. Co.	617,000.00	Included in the Investment Account of Wharton and Northern R. R. Co.

SECURITIES . . . Continued

	Date of Maturity	Total Amount of Issue as of December 31, 1946	Owned by Company	
			Par Value	Book Value
BONDS				
C. R. R. Co. of N. J., 4% General Mortgage Gold Bonds.	1987	$5,000,000.00	$ 10,000.00	$ 10,000.00
C. R. R. Co. of N. J., 5% General Mortgage Gold Bonds.	1987	44,998,000.00	1,257,000.00	1,257,000.00
			$1,267,000.00	$1,267,000.00
NOTES AND MORTGAGES				
Edroyal Corporation, 1½%	On demand	$ 250,000.00	$ 250,000.00	$ 250,000.00
Edroyal Corporation, 1½%	On demand	415,000.00	415,000.00	415,000.00
Penn Haven Realty Company, 4%	When called	40,000.00	40,000.00	40,000.00
Total Affiliated Companies			$ 705,000.00	$ 705,000.00

STOCKS	Total Amount of Issue as of December 31, 1946	Owned by Companies	
		Par Value	Book Value
Affiliated Companies			
Allentown Terminal R. R. Co	$ 450,000.00	A $ 225,000.00	$ 225,000.00
American Dock and Improvement Co	30,000.00	B 30,000.00	1,000.00
Bay Shore Connecting R. R. Co	55,800.00	27,900.00	27,900.00
Central Railroad Co. of Pennsylvania . . . F	1,830,100.00	D 1,830,100.00	1,830,100.00
Communipaw Central Land Co	2,000.00	2,000.00	2,000.00
Dover and Rockaway R. R. Co	150,000.00	C 75,000.00	79,000.00
Elizabethport and New York Ferry Co	1,455.00	1,455.00	1,455.00
Edroyal Corporation	750,000.00	750,000.00	750,000.00
Hunter Run Water Co	5,000.00	5,000.00	3,196.02
Jersey Central Transportation Co	20,000.00	20,000.00	20,000.00
Mount Hope Mineral R. R. Co	160,000.00	109,300.00	†
New York and Long Branch R. R. Co	4,000,000.00	E 2,000,000.00	2,000,000.00
Newark Warehouse Co	10,000.00	10,000.00	1,000.00
Ogden Mine R. R. Co	450,000.00	450,000.00	67,500.00
Penn Haven Realty Co	15,000.00	15,000.00	15,000.00
Railway Express Agency, Inc		*	1,100.00
Wharton and Northern R. R. Co	500,000.00	500,000.00	x 1,250,000.00
Total	x x x x	$6,050,755.00	$6,274,251.02
Other Investments			
Lehigh and Hudson River Ry. Co	$4,707,000.00	$ 787,000.00	$ 748,287.20
Mahoning Coal R. R. Co		1,500.00	15,150.00
Raritan River R. R. Co	1,000,000.00	495,300.00	839,609.58
Newark Concrete Pipe Co ⓧ		51.02	51,02
Total	x x x x	$1,283,851.02	$1,603,097.80
Grand Total	x x x x	$7,334,606.02	$7,877,348.82

* Without nominal or par value.
† Included in amount shown as book value of Wharton and Northern R. R. Co.
x Includes book value of Mount Hope Mineral R. R. Co.

A Pledged under General Mortgage	$ 225,000.00
B Pledged under General Mortgage	30,000.00
C Pledged under General Mortgage	45,000.00
D Pledged under General Mortgage	1,830,100.00
E Pledged under General Mortgage	2,000,000.00
	$4,130,100.00

F Name changed from Easton & Western R. R., Feb. 29th, 1944
ⓧ Owned by Wharton and Northern R. R. Co.

SECURITIES...Continued

INSURANCE RESERVE FUND

Cash on Hand, December 31, 1945		$ 9,028.41
RECEIPTS		
Contributions to Fund	$ 71,105.85	
Sale of Securities	—	$ 71,105.85
		$ 80,134.26
DISBURSEMENTS		
Fire and Marine Losses	$ 21,922.93	
Purchase of Securities	51,171.88	$ 73,094.81
Cash on Hand, December 31, 1946		$ 7,039.45

ASSETS		LIABILITIES	
Cash	$ 7,039.45	Balance of Reserve, Dec. 31, 1946	$1,090,756.33
Securities	1,084,171.88	Claims unpaid	455.00
Total	$1,091,211.33	Total	$1,091,211.33

SECURITIES	Date of Maturity	Par Value	Book Value
U. S. Government Treasury Bonds, 2¼%	1959–62	$ 400,000.00	$ 400,000.00
U. S. Government Treasury Bonds, 2¼%	1959–62	15,000.00	15,000.00
U. S. Government Treasury Bonds, 2½%	1967–72	643,000.00	644,171.88
U. S. Government Treasury Bonds, 2½%	1967–72	25,000.00	25,000.00
Total Securities		$1,083,000.00	$1,084,171.88

THE CENTRAL RAILROAD CO. OF NEW JERSEY

TRANSPORTATION STATISTICS

LOCOMOTIVE, TRAIN, CAR AND TON MILEAGE

	1946	1945	Increase or Decrease	
			Amount	Per Cent
TRAIN MILES				
Freight	1,575,802	2,422,965	* 847,163	* 35
Passenger	2,659,805	2,975,706	* 315,901	* 11
Total Revenue Service	4,235,607	5,398,671	* 1,163,064	* 22
Work	90,111	141,571	* 51,460	* 36
Total Train Miles	4,325,718	5,540,242	* 1,214,524	* 22
LOCOMOTIVE MILES				
Freight-Principal, Helper and Light	2,267,706	3,412,207	* 1,144,501	* 34
Passenger-Principal, Helper and Light	2,896,514	3,187,630	* 291,116	* 9
Yard Switching, Steam	1,454,662	1,972,153	* 517,491	* 26
Yard Switching, Diesel	1,169,900	1,348,987	* 179,087	* 13
Yard Switching, Total	2,624,562	3,321,140	* 696,578	* 21
Train Switching	732,894	941,602	* 208,708	* 22
Work	155,375	211,817	* 56,442	* 27
Total Locomotive Miles	8,677,051	11,074,396	* 2,397,345	* 22
CAR MILES				
Freight, Loaded	61,716,001	89,754,116	* 28,038,115	* 31
Freight, Empty	28,812,534	48,588,481	* 19,775,947	* 41
Freight, Caboose	1,514,538	2,407,535	* 892,997	* 37
Total Freight	92,043,073	140,750,132	* 48,707,059	* 35
Passenger	16,795,942	18,369,864	* 1,573,922	* 9
Total Revenue Service	108,839,015	159,119,996	* 50,280,981	* 32
Work	73,103	74,493	* 1,390	* 2
Total Car Miles	108,912,118	159,194,489	* 50,282,371	* 32
TON MILES (Thousands)				
Gross Ton Miles, Freight	4,242,821	6,476,591	* 2,233,770	* 34
Net Ton Miles, Freight	2,226,280	3,304,665	* 1,078,385	* 33

OPERATING PERFORMANCE

MAINTENANCE:				
Cost of Maintenance of Way (Track Accounts Only) per Equivalent Track Mile	$ 1,792.77	$ 1,835.37	$ * 42.60	* 2
Percent of Total Locomotives out of Service for Repairs	25.8	18.1	7.7	43
Percent of Total Passenger Cars out of Service for Repairs	13.0	8.5	4.5	53
Percent of Total Freight Cars out of Service for Repairs	7.96	7.61	.35	5
Cost of Locomotive Repairs per Locomotive Mile, Classified	$ .114	$ .109	$ .005	5
Cost of Locomotive Repairs per Locomotive Mile, Running	$ .295	$ .227	$ .068	30
Cost of Locomotive Repairs per Locomotive Mile, Total	$ .409	$ .336	$ .073	22
STATIONS:				
Cost per Ton of Freight Handled—Elizabethport Transfer	$ 1.30	$ 1.03	$ .27	26
Cost per Ton of Freight Handled—Lighterage	$ .627	$ .618	$ .009	1
FREIGHT TRAINS:				
Average Net Train Load	1,466	1,406	60	4
Average Gross Train Load	2,794	2,756	38	1
Average Train Speed	11.9	11.7	.2	2
Gross Ton Miles per Train Hour	31,994	31,310	684	2
Pounds of Coal per 1,000 Gross Ton Miles	142	135	7	5
Cost of Fuel per 1,000 Gross Ton Miles	$ .378	$ .342	$ .036	11
Cost of Wages per 1,000 Gross Ton Miles	$ .473	$ .396	$ .077	19
PASSENGER TRAINS:				
Average Cars per Train	6.26	6.16	.10	2
Cost of Fuel and Wages per Train Mile	$ 1.14	$ 1.01	$ .13	13

* Denotes decrease.

TRANSPORTATION STATISTICS . . . Continued

OPERATING PERFORMANCE—Continued

	1946	1945	Increase or Decrease Amount	Increase or Decrease Per Cent
FREIGHT CARS:				
Net Tons per Loaded Car	36.1	36.8	* .7	* 2
Percent Net to Gross	52.5	51.0	1.5	3
Percent Loaded to Total Car Mile	68.2	64.9	3.3	5
Car Miles per Car Day (of Cars in Service)	18.0	21.3	* 3.3	* 15
Net Ton Miles per Car Day (of Cars in Service)	417	480	* 63	* 13
LOCOMOTIVES:				
Pounds of Coal per Locomotive Mile, Freight	200	201	* 1	
Pounds of Coal per Locomotive Mile, Passenger	154	151	3	2
Pounds of Coal per Locomotive Mile, Yard	112	108	4	4
Locomotive Miles per Train Mile, Freight	1.44	1.41	.03	2
Locomotive Miles per Train Mile, Passenger	1.09	1.07	.02	2
ENGINE HOUSE:				
Cost per Engine Handled	$ 8.54	$ 7.03	$ 1.51	21

REVENUE TRAFFIC STATISTICS

	1946	1945	Increase or Decrease Amount	Increase or Decrease Per Cent
PASSENGER:				
Passengers	20,998,654	23,838,651	* 2,839,997	* 12
Passengers One Mile	422,166,379	455,065,186	* 32,898,807	* 7
Revenue per Passenger	$ .30	$ .30		
Revenue per Passenger Mile	$ .015	$ .016	$ * .001	* 6
Average Haul per Passenger	20.1	19.1	1.0	5
FREIGHT:				
Tons	34,215,604	44,101,503	* 9,885,899	* 22
Tons One Mile	2,169,638,775	3,217,802,604	*1,048,163,829	* 33
Average Revenue per Ton	$ .96	$ 1.02	$ * .06	* 6
Average Revenue per Ton Mile	$ .015	$ .014	$ .001	7
Average Haul per Ton	63.4	73.0	* 9.6	* 13

* Denotes decrease.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

CARLOAD REVENUE FREIGHT TRAFFIC

COMMODITY	1946			1945		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF AGRICULTURE						
Wheat	816	40,992	50,792	1,871	94,254	99,318
Corn	1,589	75,504	95,631	1,686	81,768	100,670
Oats	1,456	55,571	83,300	1,254	48,834	63,118
Barley and rye	178	6,708	4,591	404	15,575	12,903
Rice	132	5,630	3,867	307	13,054	11,212
Grain, N. O. S.*	65	2,715	5,620	26	690	561
Flour, wheat	3,821	136,418	99,569	5,579	208,671	148,681
Meal, corn	169	5,667	6,728	183	6,146	5,842
Flour and meal edible, N. O. S.	1,542	51,999	39,469	1,877	64,350	41,024
Cereal food preparations, edible, N. O. S.	524	11,785	9,274	950	21,219	17,653
Mill products, N. O. S.	2,282	75,567	90,495	2,902	96,065	87,620
Hay and alfalfa	1,124	17,873	21,536	1,944	31,613	34,317
Straw	181	2,621	4,086	253	3,581	5,878
Tobacco, leaf	700	13,261	10,148	1,432	29,021	21,124
Cotton in bales	1,391	34,148	37,845	1,502	37,889	31,106
Cotton linters, noils, and regins	2,170	46,336	57,288	1,684	37,089	36,032
Cottonseed	3	72	37	9	232	155
Cottonseed meal and cake	27	949	951	126	4,036	4,459
Oranges and grapefruit	2,235	52,511	31,022	1,849	44,995	26,410
Lemons, limes, and citrus fruits, N. O. S.	195	3,877	2,721	238	6,708	3,947
Apples, fresh	840	14,497	16,205	318	6,111	5,658
Bananas	1,918	23,254	25,570	1,086	12,831	12,501
Berries, fresh	42	1,049	1,903	73	1,572	2,839
Cantaloupes and melons, N. O. S.	1,079	13,584	10,665	341	4,494	4,117
Grapes, fresh	95	1,670	2,117	178	3,218	1,426
Peaches, fresh	770	8,647	7,488	1,002	11,250	8,439
Watermelons	540	7,267	4,715	721	10,256	6,483
Fruits, fresh, domestic, N. O. S.	335	5,659	6,020	333	6,317	6,871
Fruits, fresh, tropical, N. O. S.	12	284	287	18	401	601
Potatoes, other than sweet	7,073	155,659	132,457	7,682	161,084	144,221
Cabbage	228	3,204	2,409	204	2,797	1,952
Onions	370	5,993	7,863	371	5,846	5,312
Tomatoes	743	9,468	5,985	747	9,591	6,264
Vegetables, fresh, N. O. S.	7,154	94,794	104,868	8,008	114,256	166,018
Beans and peas, dried	424	16,107	17,297	833	33,161	35,195
Fruits, dried or evaporated	257	7,679	6,484	526	20,341	17,327
Vegetables, dry, N. O. S.	574	12,879	17,341	481	13,937	15,881
Vegetable-oil cake and meal, except cottonseed	669	20,847	21,173	669	21,558	22,635
Peanuts	334	9,072	7,703	496	13,110	14,630
Flaxseed	10	231	334	19	421	558
Sugar beets	3	101	84	11	378	428
Products of agriculture, N. O. S.	8,445	254,929	243,073	12,360	376,289	381,990
Total	52,515	1,307,078	1,297,011	62,553	1,675,009	1,613,376
ANIMALS AND PRODUCTS						
Horses, mules, ponies, and asses	48	645	1,865	22	294	671
Cattle and calves, single-deck	5,576	65,698	61,177	7,696	91,176	95,218
Calves, double-deck	248	2,562	2,344	269	2,725	2,830
Sheep and goats, single-deck	562	4,379	2,794	390	2,939	2,975
Sheep and goats, double-deck	1,971	16,558	14,377	1,959	17,519	15,109
Hogs, single-deck	34	497	890	89	1,103	1,706
Hogs, double-deck	424	4,991	5,454	656	7,686	7,527
Fresh meats, N. O. S.	2,059	28,625	55,589	3,693	54,698	99,132
Meats, cured, dried or smoked	751	23,470	28,190	1,785	58,020	68,153
Butterine and margarine	196	5,034	7,569	189	4,792	6,146
Packing-house products, edible, N. O. S., except canned meats	538	13,294	12,455	829	22,407	30,584
Poultry, live	30	319	373	52	703	1,315
Poultry, dressed	408	6,965	10,904	1,003	18,573	57,262
Eggs	1,155	18,842	17,776	1,135	18,991	21,001
Butter	817	14,564	15,604	980	17,215	17,554
Cheese	788	17,387	21,382	1,039	24,177	27,404
Wool	2,418	35,347	48,264	3,149	48,563	67,099
Hides, green	886	22,499	22,355	1,113	27,415	27,298
Leather	426	10,011	10,974	668	15,987	16,306
Fish or sea-animal oil	1,704	50,215	82,101	2,085	59,659	86,899
Animals, live, N. O. S.	16	301	204	20	417	409
Animal products, N. O. S. (other than fertilizer, etc.)	3,891	95,527	108,351	3,671	98,080	107,719
Total	24,946	437,730	530,992	32,492	593,139	760,317
PRODUCTS OF MINES						
Anthracite coal	124,862	7,123,383	7,505,337	127,804	7,335,782	8,810,129
Bituminous coal	124,846	7,243,571	3,797,573	171,916	9,906,764	5,067,561
Coke	4,501	155,734	101,651	9,577	366,038	253,692
Iron Ore	8,515	522,321	304,398	9,849	580,203	370,307
Copper ore and concentrates	92	5,312	3,876	705	41,562	30,689
Lead ore and concentrates	115	6,435	5,202	264	15,303	16,870
Zinc ore and concentrates	5,092	251,940	95,065	10,622	523,672	197,397
Ores and concentrates, N. O. S.	3,334	189,093	128,878	5,160	296,159	227,287
Gravel and Sand (except glass or molding)	16,330	909,958	700,862	16,104	876,478	693,485
Stone, broken, ground or crushed	4,359	252,811	166,361	3,632	212,152	119,333
Stone, rough, N. O. S.	364	16,791	11,291	464	22,345	11,876
Stone, finished, N. O. S.	362	16,114	5,861	310	12,443	6,112
Petroleum, crude	196	6,445	5,259	4,423	143,731	104,316
Asphalt (natural, by-product, or petroleum)	4,664	164,433	193,750	4,047	148,136	166,983
Salt	2,117	93,899	91,789	2,732	121,822	116,093
Phosphate rock, crude (ground or not ground)	901	47,282	16,858	2,065	108,834	39,071
Sulphur (brimstone)	711	37,011	35,375	1,256	68,623	59,725
Products of mines, N. O. S.	13,521	609,586	418,738	13,656	618,858	406,889
Total	314,882	17,652,119	13,588,124	384,586	21,398,905	16,697,815

* N. O. S. indicates Not Otherwise Specified.

CARLOAD REVENUE FREIGHT TRAFFIC . . . Continued

COMMODITY	1946			1945		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF FORESTS						
Logs	186	4,468	4,041	301	7,967	7,059
Posts, poles, and piling	1,351	36,587	23,852	1,099	29,609	18,436
Wood (fuel)	18	504	745	38	1,056	1,489
Ties, railroad	1,104	33,747	38,141	1,160	39,211	35,102
Pulp wood	354	11,447	13,908	353	12,355	14,902
Lumber, shingles and lath	19,053	612,991	523,807	22,636	758,620	611,579
Box, crate, and cooperage materials	972	23,724	16,804	1,390	37,117	26,116
Veneer and built-up wood	297	8,404	6,836	357	11,263	10,169
Rosin	1,303	34,842	24,588	1,474	40,960	25,797
Turpentine	365	8,570	8,092	442	10,265	8,309
Crude rubber (not reclaimed)	546	18,178	8,268	289	10,292	6,134
Products of forests, N. O. S.	3,591	64,353	78,463	4,040	69,741	81,093
TOTAL	29,140	857,815	747,545	33,579	1,028,456	846,185
MANUFACTURERS AND MISCELLANEOUS						
Petroleums oils, refined, and all other gasoline	13,957	402,574	571,642	59,020	1,735,137	2,409,965
Fuel, road, and petroleum residual oils, N. O. S.	4,534	137,980	167,640	37,925	1,282,936	1,150,303
Lubricating oils and grease	14,678	392,270	528,748	20,613	566.588	809,641
Petroleum products, N. O. S.	1,211	34,218	51,696	1,665	45,966	69,657
Cottonseed oil	1,606	51,474	33,223	2,301	70,634	39,292
Linseed oil	606	18,172	22,988	404	11,393	16,878
Vegetable oils, N. O. S.	2,429	73,318	67,015	2,081	61,602	65,867
Sugar (beet or cane)	720	27,960	25,490	1,469	56,851	47,225
Table sirups and edible molasses	1,017	31,806	24,576	918	30,289	20,988
Molasses, blackstrap and beet residual	112	4,267	3,756	178	6,988	3,526
Iron, pig	1,376	74,931	63,490	1,251	70,912	69,869
Iron and steel, rated 6th class, N. O. S.	627	32,700	35,257	1,919	94,652	87,334
Rails, fastenings, frogs, and switches	1,454	67,101	77,177	2,086	93.203	97,184
Cast-iron pipe and fittings	771	15,790	17,911	584	13.518	14,160
Iron and steel pipes and fittings, N. O. S.	4,522	128,915	163,938	4,530	143.719	167,940
Iron and steel: Nails and wire, not woven	1,529	46,263	45,786	1,701	52,529	44,931
Iron and steel, rated 5th class, N. O. S. (also tin and terne plate)	30,600	1,060,958	1,391,448	35,323	1,270.222	1,551,493
Copper: Ingot, matte, and pig	4,321	221,238	220,907	4,653	240,378	262,051
Copper, brass and bronze: Bar, sheet, and pipe	286	10,932	10,609	1,195	45,704	51,403
Lead and Zinc: Ingot, pig, or bar	1,566	73,215	67,332	2,212	103,563	96.695
Aluminum: Ingot, pig, or slab	200	7,195	13,322	276	11,675	18,329
Machinery and boilers	7,578	137,217	200,638	12,498	250,169	387,570
Cement, natural or Portland (building)	23,155	990,491	1,096,807	17,364	700,054	697,019
Brick, common	475	20,686	16,128	268	11,664	8,331
Brick, N. O. S., and building tile	3,083	113,653	103,657	2,301	90,358	81,421
Artificial stone, N. O. S.	39	1,512	1,409	66	2,432	2,163
Lime, common (quick or slaked)	2,668	98,864	89,347	2,126	78,960	68,221
Plaster (stucco or wall) and dry kalsomine	681	20,914	12,906	309	9,670	5,555
Sewer pipe and drain tile (not metal)	1,005	19,274	20,137	515	10,001	11,391
Agricultural implements and parts, N. O. S.	108	1,948	2,518	119	2,539	3,205
Vehicles, horse-drawn, and parts, N. O. S.	28	458	448	313	6,247	5,431
Tractors and parts	1,982	66,705	82,343	1,522	40,583	48,352
Railway car wheels, axles, and trucks	249	9,256	10,955	358	13,198	16,175
Automobiles (passenger)	1,536	11,650	30,273	2,246	23,180	70,038
Autotrucks	4,515	57,532	126,212	14,184	197,125	481,219
Automobiles and trucks, unassembled and parts, N. O. S.	3,783	69,658	128,800	12,872	258,710	495,353
Automobiles and trucks tires	1,841	30,745	31,905	3,041	51,225	53,218
Furniture, metal	787	8,015	13,751	453	5.227	9,955
Furniture, other than metal	5,836	53,753	114,024	3,446	31,731	59,010
Beverages	13,553	379,054	392,161	18,061	546,566	602,356
Ice	197	6,194	3,614	263	8,137	4,213
Fertilizers, N. O. S.	9,245	331,389	359,801	9,049	333,974	351,741
Newsprint paper	8,134	230,335	170,642	8,092	232,001	176.299
Printing paper, N. O. S.	6,326	171,582	147,709	5,934	161,906	127,486
Alcohol, denatured or wood	1,881	48,221	68,887	1,246	31,565	47,551
Sulphuric acid	3,224	161,234	160,515	4,400	224,031	218,755
Explosives, N. O. S.	4,555	177,567	599,355	14,729	604,769	2,304,702
Cotton cloth and cotton fabrics, N. O. S.	3,962	59,242	64,271	5,559	98,126	135,408
Bagging and bags, burlap, gunny, or jute	1,118	24,408	17,158	1,110	25,820	18,100
Canned food products, N. O. S.	9,353	303,650	319,049	13,927	499,628	510,486
Tobacco, manufactured products	575	13,139	17,539	913	22,007	25,795
Paints in oil and varnishes	2,047	49,232	76,249	2,474	65,635	100,489
Furnace slag	1,323	65,187	39,360	940	47,765	33,883
Scrap iron and scrap steel	11,645	433,642	470,440	14,957	582,664	630,537
Paper bags and wrapping paper	3,621	94,665	76,515	4,916	136,738	110,766
Paperboard, pulpboard and wallboard (paper)	13,042	344,299	217,653	11,328	315,104	198,931
Building paper and prepared roofing materials	6,577	175,678	179,737	5,985	160,209	155,379
Building woodwork (millwork)	185	3,856	4,268	219	4,607	5,112
Soap and washing compounds	2,599	71,253	62,159	3,172	89,231	66,285
Glass, flat, other than plate	1,039	38,308	35,292	809	30,006	25,641
Glass: Bottles, jars, and jelly glasses	15,720	332,952	540,705	18,283	389,720	581,687
Manufactures and miscellaneous, N. O. S.	216,206	5,249,400	6,432,911	254,102	6,433,380	8,149,335
TOTAL	483,598	13,390,095	16,142,199	656,773	18,835,121	24,179,295
GRAND TOTAL, CARLOAD TRAFFIC	905,081	33,644,837	32,305,871	1,169,983	43,530,630	44,096,988
Less than Carload Freight	x x x	570,767	1,359,766	x x x	570,873	1,373,745
GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC	x x x	34,215,604	33,665,637	x x x	44,101,503	45,470,733

THE CENTRAL RAILROAD CO. OF NEW JERSEY

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1946

ROAD OWNED AND LEASED	Gross Capital Charges	Retirements	Net Capital Charges
Rail and Other Track Material			
Betterment of Rail and Other Track Material	$ 72,658.25		$ 72,658.25
Bridges, Trestles and Culverts			
Renewal of Bridge 65/83, Lakehurst, N. J.	9,589.46	$ 2,553.66	7,035.80
Installation of Concrete Deck Slabs, Bridge 31/84, Bound Brook, N. J.	20,912.42		20,912.42
Additional Yard Tracks, Sidings and Industrial Tracks			
Side Track for J. H. Smith, Belford, N. J.	5,861.28		5,861.28
Additional tracks at Atlantic Highlands, N. J.	12,230.70		12,230.70
Signals and Interlocking Plants			
Respacing signals, Bayonne to Jersey City, N. J.	149,904.49		149,904.49
Changes at "RK" Tower, Bound Brook, N. J.	15,271.30		15,271.30
Telegraph and Telephone Lines			
Loud Speaker System in Passenger Yard, Jersey City, N. J.	8,229.87		8,229.87
Loud Speaker System in Allentown Yard, Pa.	10,877.50		10,877.50
Freight and Passenger Stations, Etc.			
New Office Building in Brills Yard, Newark, N. J.	8,121.56		8,121.56
Purchase Freight Handling Equipment for Piers 11 & 14, Jersey City, N. J.	29,104.79		29,104.79
Construct Automobile Unloading Platform, Brills, Newark, N. J.	19,835.43		19,835.43
New Toilet and Locker Building, Jersey City, N. J.	18,283.56		18,283.56
New Office Building, Stockton Street, Phillipsburg, N. J.	8,628.65	2,156.56	6,472.09
Shop Bldgs., Enginehouses and Appurtenances			
Replace Gantry Crane, Engine Terminal, Communipaw, N. J.	21,663.78		21,663.78
Improved Facilities at Engine Terminal, Mauch Chunk, Pa.	12,420.21		12,420.21
Reclamation Facilities, Blacksmith Shop, Ashley, Pa.	5,350.36		5,350.36
Shop Machinery and Tools			
Purchase Shop Machinery for Elizabethport, N. J.	36,310.97		36,310.97
Real Estate			
Acquisition of Land from Elizabethport and New York Ferry Company	8,791.98		8,791.98
Miscellaneous	61,378.95		61,378.95
Retirements:			
Shop Machinery and Tools			
Machinery sold to Central Railroad Company of Pennsylvania		576,067.82	*576,067.82*
Wharves and Docks			
Retirement of Pier 9, Jersey City, N. J.		144,998.43	*144,998.43*
Miscellaneous		142,970.33	*142,970.33*
Total Road Owned and Leased	$535,425.51	$ 868.746.80	*$ 333,321.29*
EQUIPMENT:			
Additions and Betterments			
Installation of "A-B" Air Brakes on Freight Cars	$ 80,425.09		$ 80,425.09
Installation of Head End Lighting on Locomotives	27,261.04		27,261.04
Installation of Head End Lighting on Passenger Train Cars	19,407.57		19,407.57
Miscellaneous Additions and Betterments	3,741.23		3,741.23
Retired Equipment:			
Locomotives, Steam		226,402.08	*226,402.08*
Freight Train Cars		1,200,176.18	*1,200,176.18*
Passenger Train Cars		223,315.32	*223,315.32*
Floating Equipment		60,598.86	*60,598.86*
Work Equipment		62,222.17	*62,222.17*
Total Equipment	$130,834.93	$1,772,714.61	*$1,641,879.68*
Grand Total	$666,260.44	$2,641,461.41	*$1,975,200.97*

Italics denote credits.

Projects have been classified under the heading most descriptive of the nature of the work and of the major portion of the expenditure.

EQUIPMENT

LOCOMOTIVES	December 31, 1946				December 31, 1945			
	Number	Average Weight (Tons)		Average Tractive Power	Number	Average Weight (Tons)		Average Tractive Power
		Total	On Drivers			Total	On Drivers	
4 Wheel Switch	1	56.2	56.2	22,272	1	56.2	56.2	22,272
6 Wheel Switch	63	80.0	80.0	34,627	64	76.9	76.9	34,574
8 Wheel Switch	55	122.0	122.0	56,810	55	122.0	122.0	57,111
Oil Electric Switch	31	105.8	105.8	52,914	31	105.8	105.8	52,914
10-Wheeler	74	106.2	80.7	35,137	78	105.5	80.4	34,973
12-Wheeler	18	112.0	85.9	39,564	22	112.0	85.9	39,564
Suburban	6	145.9	81.8	30,940	6	145,9	81.8	30,940
Consolidation	14	113.4	101.0	40,555	14	113.4	101.0	40,555
Atlantic	4	107.9	63.9	28,433	6	107.9	63.9	28,433
Pacific	21	158.8	98.6	45,979	21	158.8	98.6	45,979
Mikado	82	169.4	125.8	62,949	82	169.4	125.8	62,949
Total	369	44,890.3	36,959.7	17,275,431	380	45,998.4	37,796.9	17,649,553
Average		121.7	100.2	46,817		121.0	99.5	46,446

FREIGHT CARS	December 31, 1946		December 31, 1945	
	Number	Capacity (Tons)	Number	Capacity (Tons)
Box	2,407	110,680	2,843	125,890
Automobile	—	—	200	10,000
Refrigerator	16	625	17	650
Coal	5,731	309,005	5,736	309,265
Gondola-Steel	505	30,810	518	31,350
Gondola (Steel Underframe)	2,317	135,800	2,576	148,730
Ore	68	3,060	68	3,060
Flat	6	240	7	280
Cement	178	11,950	184	12,280
Container	3	150	3	150
Caboose	149	—	150	—
Poling Cars	6	—	7	—
Total	11,386	602,320	12,309	641,655

PASSENGER CARS	Number December 31	
	1946	1945
Coaches	466	471
Combination Passenger	59	59
Other Combination	13	13
Dining	3	3
Baggage and Express	58	58
Club	2	1
Total	601	605

WORK EQUIPMENT	1946	1945
Cinder Cars	8	8
Business Cars	2	2
Locomotive Cranes	25	24
Pile Drivers	1	1
Work Cars	139	141
Total	175	176

MARINE EQUIPMENT	Number December 31	
	1946	1945
Ferryboats	10	10
Tugboats	8	8
Steam Lighters	2	3
Other Lighters	37	39
Covered Barges	51	51
Car Floats	17	17
Water Pile Drivers	3	3
Launch	—	—
Total	128	131

THE CENTRAL RAILROAD CO. OF NEW JERSEY

MILES OF ROAD AND TRACK OPERATED—DECEMBER 31, 1946

	Owned		Leased		Trackage Rights		Total		
	Main Line	Branches	Main Line	Branches	Main Line	Branches	Main Line	Branches	All
Miles of Road Operated	169.76	198.53		5.09	37.80	7.45	207.56	211.07	418.63
Second Main Track	72.89	27.89			37.48	1.61	110.37	29.50	139.87
Other Main Tracks	93.39	4.74					93.39	4.74	98.13
Passing Tracks, Crossovers and Turnouts	25.63	8.22		.92	.51	.06	26.14	9.20	35.34
Way Switching Tracks	53.35	47.78		2.10	34.48		87.83	49.88	137.71
Yard Switching Tracks	261.35	109.74		.77		.99	261.35	111.50	372.85
Total Tracks Operated	676.37	396.90		8.88	110.27	10.11	786.64	415.89	1,202.53

JERSEY CENTRAL LINES

WEIGHT OF RAIL IN MAIN TRACKS

WEIGHT PER YARD	1st Main Track Miles		2nd Main Track Miles		Other Main Track Miles		Total
	Main Line	Branch Line	Main Line	Branch Line	Main Line	Branch Line	
135 pounds	6.37	4.66	3.52	2.35	2.22	1.02	20.14
131 pounds	24.87	5.36	23.34	3.50	12.96	.06	70.09
130 pounds	147.72	41.51	133.03	22.05	70.67	5.35	420.33
100 pounds	56.22	123.42	5.47	9.26	11.01	.21	205.59
90 pounds	43.17	74.38		.65	1.33		119.53
85 pounds	12.85	12.58					25.43
80 pounds		4.48		.62			5.10
76 pounds		2.42					2.42
70 pounds		12.32					12.32
67½ pounds		2.82					2.82
66 pounds		.06					.06
62½ pounds		.33					.33
60 pounds	.32						.32
Total	291.52	284.34	165.36	38.43	98.19	6.64	884.48

CENTRAL RAILROAD CO. OF PENNSYLVANIA

GENERAL BALANCE SHEET

ASSETS	December 31, 1946	December 31, 1945	Increase	Decrease
Investments:				
Road and Equipment Property	$ 5,472,475.81	$ 5,137,108.54	$ 335,367.27	
Improvements on Leased Property	16,347.74		16,347.74	
Investment in Transportation Property	$ 5,488,823.55	$ 5,137,108.54	$ 351,715.01	
Accrued Depreciation—Road	#7,183.71			$ 7,183.71
Accrued Depreciation—Equipment	#97,962.32	#54,811.76		43,150.56
Accrued Amortization of Defense Projects—Equipment	#3,275,804.84	#3,275,804.84		
Investment in Transportation Property less recorded Depreciation and Amortization	$ 2,107,872.68	$ 1,806,491.94	$ 301,380.74	
Current Assets:				
Cash	$ 2,398,388.25	$ 333,989.55	$2,064,398.70	
Special Deposits	63,826.15	37,853.98	25,972.17	
Traffic and Car Service Balances—Debit	1,387,377.70	57,263.35	1,330,114.35	
Net Balance Receivable from Agents and Conductors	86,970.33		86,970.33	
Miscellaneous Accounts Receivable	665,144.70	222.44	664,922.26	
Material and Supplies	664,499.71		664,499.71	
Accrued Accounts Receivable	299,166.11	10,542.95	288,623.16	
Other Current Assets	1,458.08		1,458.08	
Total	$ 5,566,831.03	$ 439,872.27	$5,126,958.76	
Deferred Assets:				
Working Fund Advances	$ 818.93		$ 818.93	
Unadjusted Debits:				
Prepayments	$ 11,070.00		$ 11,070.00	
Discount on Funded Debt	20,163.16	$ 21,859.73		$ 1,696.57
Other Unadjusted Debits	281,086.74		281,086.74	
Total	$ 312,319.90	$ 21,859.73	$ 290,460.17	
Grand Total	$ 7,987,842.54	$ 2,268,223.94	$5,719,618.60	

# Denotes credit.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

GENERAL BALANCE SHEET

LIABILITIES	December 31, 1946	December 31, 1945	Increase	Decrease
Stock:				
Capital Stock,				
Common—Authorized.............$2,300,000.00				
Not Issued............. 469,900.00				
Outstanding........................	$ 1,830,100.00	$ 50,000.00	$1,780,100.00	
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public..............	$ 3,224,000.00	$ 3,472,000.00		$ 248,000.00
Amounts Payable to Affiliated Companies..........	1,467,323.89	1,467,323.89		
Total......................................	$ 4,691,323.89	$ 4,939,323.89		$ 248,000.00
Current Liabilities:				
Audited Accounts and Wages Payable..............	$ 715,819.84	$ 11,209.44	$ 704,610.40	
Miscellaneous Accounts Payable....................	638,699.08		638,699.08	
Unmatured Interest Accrued......................	3,224.00	3,472.00		$ 248.00
Accrued Accounts Payable.........................	1,670,778.10		1,670.778.10	
Taxes Accrued....................................	167,900.00	250.00	167,650.00	
Other Current Liabilities.........................	52,421.63		52,421.63	
Total......................................	$ 3,248,842.65	$ 14,931.44	$3,233,911.21	
Deferred Liabilities:				
Other Deferred Liabilities.........................	$ 94.99		$ 94.99	
Unadjusted Credits:				
Other Unadjusted Credits.........................	$ 4,587.92		$ 4,587.92	
Surplus:				
Earned Surplus—Unappropriated................ⓧ	$ 1,787,106.91	$ⓧ2,736,031.39	$ 948,924.48	
Grand Total..............................	$ 7,987,842.54	$ 2,268,223.94	$5,719,618.60	

ⓧ Denotes debit.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

PROFIT AND LOSS

Debit Balance December 31, 1945		$2,736,031.39
Credit Balance transferred from Income	$ 948,924.30	
Miscellaneous Credits	.18	
Total Credits		948,924.48
Debit Balance December 31, 1946		$1,787,106.91

LONG TERM DEBT

EQUIPMENT TRUST OBLIGATION

Per Cent	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
2¼%	June 15, 1944	June 15, 1959	$3,720,000.00	—	$3,224,000.00	June and Dec.	$75,082.00

Name of Guarantor—The Central R. R. Co. of New Jersey.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

INCOME ACCOUNT

	1946	1945	Increase or Decrease	
			Amount	Per Cent
Freight	$ 6,475,423.20		$6,475,423.20	
Passenger	97,391.73		97,391.73	
Baggage	83.90		83.90	
Parlor and Chair Car	1,624.36		1,624.36	
Mail	33,400.00		33,400.00	
Express	23,108.99		23,108.99	
Other Passenger Train	2,075.26		2,075.26	
Milk	698.96		698.96	
Switching	2,662.73		2,662.73	
Dining and Buffet	10,453.78		10,453.78	
Station and Train Privileges	1,276.27		1,276.27	
Parcel Room	147.60		147.60	
Storage—Freight	1,022.66		1,022.66	
Storage—Baggage	23.60		23.60	
Demurrage	8,497.13		8,497.13	
Telegraph and Telephone	723.03		723.03	
Rents of Buildings and Other Property	1,543.01		1,543.01	
Miscellaneous	4,151.52		4,151.52	
Joint Facility—Dr.	597.13		597.13	
Total Operating Revenues	$ 6,663,710.60		$6,663,710.60	
MAINTENANCE OF WAY AND STRUCTURES ROADWAY AND TRACK				
Roadway Maintenance	$ 60,776.69		$ 60,776.69	
Ties	91,987.63		91,987.63	
Rails	34,114.25		34,114.25	
Other Track Material	36,541.21		36,541.21	
Ballast	11,639.92		11,639.92	
Track Laying and Surfacing	244,712.39		244,712.39	
Fences, Snowsheds and Signs	577.53		577.53	
Roadway Machines	2,565.90		2,565.90	
Small Tools and Supplies	3,728.85		3,728.85	
Removing Snow, Ice and Sand	7,731.72		7,731.72	
Total	$ 494,376.09		$ 494,376.09	
BRIDGES AND STRUCTURES				
Tunnels and Subways	$ 5,447.44		$ 5,447.44	
Bridges, Trestles and Culverts	22,972.48		22,972.48	
Station and Office Buildings	11,619.74		11,619.74	
Roadway Buildings	216.50		216.50	
Water Stations	3,216.38		3,216.38	
Fuel Stations	4,871.93		4,871.93	
Shops	476.60		476.60	
Enginehouses	7,583.50		7,583.50	
Power Plants	1,101.47		1,101.47	
Power—Transmission Systems	1,091.31		1,091.31	
Miscellaneous Structures	11.10		11.10	
Total	$ 58,608.45		$ 58,608.45	
OTHER				
Superintendence	$ 29,665.79		$ 29,665.79	
Telegraph and Telephone Lines	2,615.77		2,615.77	
Signals and Interlockers	54,872.59		54,872.59	
Public Improvements—Maintenance	4,894.68		4,894.68	
Injuries to Persons	375.69		375.69	
Insurance	740.67		740.67	
Stationery and Printing	375.61		375.61	
Other Expenses	164.67		164.67	
Total	$ 93,705.47		$ 93,705.47	
RETIREMENTS, DEPRECIATION AND RESERVES				
Road Property—Depreciation	$ 64,704.02		$ 64,704.02	
Deferred Maintenance-Way and Structures	#66,794.36		* 66,794.36	
Dismantling Retired Road Property	3,856.51		3,856.51	
Total	$ 1,766.17		$ 1,766.17	
JOINT FACILITIES				
Maint. Jt. Trks., Yds., and Other Facil.—Dr.	$ 20,900.00		$ 20,900.00	
Maint. Jt. Trks., Yds., and Other Facil.—Cr.	62,029.96		62,029.96	
Total	$ #41,129.96		* $ 41,129.96	
Total Maintenance of Way and Structures	$ 607,326.22		$ 607,326.22	

# Denotes credit. * Denotes decrease.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

INCOME ACCOUNT . . . Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
MAINTENANCE OF EQUIPMENT DIRECT EXPENSES				
Superintendence	$ 20,112.35		$ 20,112.35	
Shop Machinery	2,050.40		2,050.40	
Power-Plant Machinery	27,463.37		27,463.37	
Steam Locomotives—Repairs, Classified	203,273.56		203,273.56	
Steam Locomotives—Repairs, Running	275,798.40		275,798.40	
Steam Locomotives—Repairs, Total	479,071.96		479,071.96	
Other Locomotives—Repairs	14,051.21		14,051.21	
Freight-Train Cars—Repairs	574,476.08	$ 7,320.20	567,155.88	
Passenger-Train Cars—Repairs	24,137.40		24,137.40	
Work Equipment—Repairs	7,181.54		7,181.54	
Miscellaneous Equipment—Repairs	822.86		822.86	
Injuries to Persons	10,467.70		10,467.70	
Insurance	1,664.46		1,664.46	
Stationery and Printing	640.56		640.56	
Other Expenses	127.59		127.59	
Total	$ 1,162,267.48	$ 7,320.20	$1,154,947.28	
RETIREMENTS, DEPRECIATION AND RESERVES				
Shop and Power-Plant Machinery—Depreciation	$ 8,514.77		$ 8,514.77	
Equipment—Depreciation	240,136.33	$ 24,449.64	215,686.69	882
Equipment—Amortization of Defense Projects	—	3,275,804.84	* 3,275,804.84	
Deferred Maintenance—Equipment	#36,993.00		* 36,993.00	
Total	$ 211,658.10	$ 3,300,254.48	* $3,088,596.38	* 94
JOINT FACILITIES				
Joint Maintenance of Equipment—Expenses—Dr.	$ 37.50		$ 37.50	
Joint Maintenance of Equipment—Expenses—Cr.	22,808.73		* 22,808.73	
Total	$ #22,771.23		* $ 22,771.23	
Total Maintenance of Equipment	$ 1,351,154.35	$ 3,307,574.68	* $1,956,420.33	* 59
TRAFFIC				
Superintendence	$ 46,927.75		$ 46,927.75	
Outside Agencies	39,619.68		39,619.68	
Advertising	4,035.62		4,035.62	
Traffic Associations	2,529.16		2,529.16	
Insurance	1.17		1.17	
Stationery and Printing	4,731.41		4,731.41	
Total Traffic	$ 97,844.79		$ 97,844.79	
TRANSPORTATION SUPERVISING TRANSPORTATION				
Superintendence	$ 35,409.81		$ 35,409.81	
Dispatching Trains	16,182.38		16,182.38	
Total	$ 51,592.19		$ 51,592.19	
STATION SERVICE				
Station Employes—Other Platform Forces	$ 47,885.07		$ 47,885.07	
Station Employes—Other Freight	109,810.37		109,810.37	
Station Employes—Passenger	33,127.78		33,127.78	
Station Employes—Total	190,823.22		190,823.22	
Weighing, Inspection and Demurrage Bureaus	2,266.64		2,266.64	
Station Supplies and Expenses	9,968.07		9,968.07	
Total	$ 203,057.93		$ 203,057.93	
YARD SERVICE				
Yardmasters and Yard Clerks	$ 107,819.47		$ 107,819.47	
Yard Conductors and Brakemen—Freight	234,608.39		234,608.39	
Yard Conductors and Brakemen—Passenger	5,530.79		5,530.79	
Yard Conductors and Brakemen—Total	240,139.18		240,139.18	
Yard Switch and Signal Tenders	23,857.48		23,857.48	
Yard Enginemen—Freight	107,546.62		107,546.62	
Yard Enginemen—Passenger	343.87		343.87	
Yard Enginemen—Total	107,890.49		107,890.49	
Yard Motormen—Freight	44,529.62		44,529.62	
Yard Motormen—Passenger	3,175.66		3,175.66	
Yard Motormen—Total	47,705.28		47,705.28	
Yard Switching Fuel	95,845.77		95,845.77	
Water for Yard Locomotives	2,856.14		2,856.14	
Lubricants for Yard Locomotives	1 988.61		1,988.61	
Other Supplies for Yard Locomotives	1,195.83		1,195.83	
Enginehouse Expenses—Yard	23,261.52		23,261.52	
Yard Supplies and Expenses	6,748.07		6,748.07	
Oper. Jt. Yards and Terminals—Dr.	7,281.42		7,281.42	
Oper. Jt. Yards and Terminals—Cr.	219,373.19		219,373.19	
Total	$ 447,216.07		$ 447,216.07	

# Denotes credit. * Denotes decrease.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

INCOME ACCOUNT . . . Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
ROAD ENGINE SERVICE				
Train Enginemen—Freight	$ 221,233.27		$ 221,233.27	
Train Enginemen—Passenger	22,584.37		22,584.37	
Train Enginemen—Total	243,817.64		243,817.64	
Train Motormen—Freight	3,503.59		3,503.59	
Train Fuel—Freight	401,022.06		401,022.06	
Train Fuel—Passenger	90,722.21		90,722.21	
Train Fuel—Total	491,744.27		491,744.27	
Water for Train Locomotives	8,989.87		8,989.87	
Lubricants for Train Locomotives	6,863.37		6,863.37	
Other Supplies for Train Locomotives	5,515.66		5,515.66	
Enginehouse Expenses—Train	110,487.19		110,487.19	
Total	$ 870,921.59		$ 870,921.59	
TRAIN SERVICE				
Trainmen—Freight	$ 226,315.80		$ 226,315.80	
Trainmen—Passenger	30,629.44		30,629.44	
Trainmen—Total	256,945.24		256,945.24	
Train Supplies and Expenses—Ashley Planes	107,313.69		107,313.69	
Train Supplies and Expenses—Other	91,745.91	$ 238.96	91,506.95	
Train Supplies and Expenses—Total	199,059.60	238.96	198,820.64	
Total	$ 456,004.84	$ 238.96	$ 455,765.88	
CASUALTIES				
Clearing Wrecks	$ 3,555.91		$ 3,555.91	
Damage to Property	18.00		18.00	
Loss and Damage—Freight	3,114.04		3,114.04	
Loss and Damage—Baggage	3.50		3.50	
Injuries to Persons	2,232.39		2,232.39	
Total	$ 8,923.84		$ 8,923.84	
MISCELLANEOUS				
Signal and Interlocker Operation	$ 69,691.95		$ 69,691.95	
Crossing Protection	75,547.44		75,547.44	
Telegraph and Telephone Operation	14,174.31		14,174.31	
Stationery and Printing	10,467.62		10,467.62	
Other Expenses	43.11		43.11	
Oper'g Joint Tracks and Facilities—Dr.	26,740.06		26,740.06	
Oper'g Joint Tracks and Facilities—Cr.	9,597.22		9,597.22	
Insurance	7,526.56		7,526.56	
Total	$ 194,593.83		$ 194,593.83	
Total Transportation	$ 2,232,310.29	$ 238.96	$2,232,071.33	
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service	$ 13,472.74		$ 13,472.74	
Total Miscellaneous Operations	$ 13,472.74		$ 13,472.74	
GENERAL				
Salaries and Expenses of General Officers	$ 18,721.36		$ 18,721.36	
Salaries and Expenses of Clerks and Attendants	111,596.95		111,596.95	
General Office Supplies and Expenses	6,050.82		6,050.82	
Law Expenses	12,332.39	$ 10,222.39	2,110.00	21
Pensions	765.57		765.57	
Stationery and Printing	5,318.54	4.17	5,314.37	
Valuation Expenses	45.68		45.68	
Other Expenses	2,332.60		2,332.60	
General Joint Facilities—Cr.	374.76		374.76	
Total General	$ 156,789.15	$ 10,226.56	$ 146,562.59	
Total Operating Expenses	$ 4,458,897.54	$ 3,318,040.20	$1,140,857.34	34

CENTRAL RAILROAD CO. OF PENNSYLVANIA

INCOME ACCOUNT . . . Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
Net Revenue from Railway Operations	$ 2,204,813.06	$∅3,318,040.20	$5,522,853.26	166
Railway Tax Accruals:				
Federal Income	$ 4,000.00	$ #10,925.00	$ 14,925.00	137
Pay Rolls	179,694.67		179,694.67	
Other	54,758.73	2,017.06	52,741.67	
Total Taxes	$ 238,453.40	$ #8,907.94	$ 247,361.34	
Hire of Equipment—Cr.				
Freight Cars	$ 1,598,799.44	$ 639,760.85	$ 959,038.59	150
Locomotives	14,692.41		14,692.41	
Passenger-Train Cars	18,414.24		18,414.24	
Work Equipment	1,753.89		1,753.89	
Total	$ 1,633,659.98	$ 639,760.85	$ 993,899.13	155
Hire of Equipment—Dr.				
Freight Cars	$ 497,815.67		$ 497,815.67	
Locomotives	32,559.64		32,559.64	
Passenger-Train Cars	30,199.01		30,199.01	
Work Equipment	180.00		180.00	
Total	$ 560,754.32		$ 560,754.32	
Hire of Equipment—Net	$ 1,072,905.66	$ 639,760.85	$ 433,144.81	68
Joint Facility Rent Income	$ 72,126.52		$ 72,126.52	
Joint Facility Rents	28,430.03		28,430.03	
Joint Facility Rents—Net	$ 43,696.49		$ 43,696.49	
Net Railway Operating Income	$ 3,082,961.81	$∅2,669,371.41	$5,752,333.22	215
NON-OPERATING INCOME				
Miscellaneous Rent Income	$ 12,478.26		$ 12,478.26	
Miscellaneous Nonoper'g Phys. Property	907.28		907.28	
Income from Unfunded Sec. and Accounts	74.46		74.46	
Miscellaneous Income	7,443.01		7,443.01	
Total Income	$ 3,103,864.82	$∅2,669,371.41	$5,773,236.23	216
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous Rents	$ 26.04		$ 26.04	
Miscellaneous Tax Accruals	2,591.42		2,591.42	
Miscellaneous Income Charges	1,103.96	$ 869.64	234.32	27
Total	$ 3,721.42	$ 869.64	$ 2,851.78	328
Available for Fixed Charges	$ 3,100,143.40	$∅2,670,241.05	$5,770,384.45	216
FIXED CHARGES				
Rent for Leased Roads & Equipment	$ 2,074,440.19		$2,074,440.19	
Interest on Funded Debt				
Interest on Equipment Trust Bonds	75,082.00	$ 80,662.00	* 5,580.00	7
Interest on Unfunded Debt	.34		.34	
Amortization of Discount on Funded Debt	1,696.57	1,696.57		
Total Fixed Charges	$ 2,151,219.10	$ 82,358.57	$2,068,860.53	
Net Income	$ 948,924.30	$∅2,752,599.62	$3,701,523.92	134

#Denotes credit. ∅Denotes deficit. *Denotes decrease.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

TRANSPORTATION STATISTICS

LOCOMOTIVE, TRAIN, CAR AND TON MILEAGE

	August 5th to December 31st 1946	1945	Increase or Decrease	
			Amount	Per Cent
TRAIN MILES				
Freight	411,210		411,210	
Passenger	99,174		99,174	
Total Revenue Service	510,384		510,384	
Work	23,195		23,195	
Total Train Miles	533,579		533,579	
LOCOMOTIVE MILES				
Freight-Principal, Helper and Light	591,069		591,069	
Passenger-Principal, Helper and Light	107,008		107,008	
Yard Switching, Steam	191,031		191,031	
Yard Switching, Diesel	107,880		107,880	
Yard Switching, Total	298,911		298,911	
Train Switching	92,975		92,975	
Work	23,837		23,837	
Total Locomotive Miles	1,113,800		1,113,800	
CAR MILES				
Freight, Loaded	15,044.929		15,044,929	
Freight, Empty	6,816,428		6,816,428	
Freight, Caboose	399,646		399,646	
Total Freight	22,261,003		22,261,003	
Passenger	747,303		747,303	
Total Revenue Service	23,008,306		23,008,306	
Work	28,091		28,091	
Total Car Miles	23,036,397		23,036,397	
TON MILES (Thousands)				
Gross Ton Miles, Freight	1,087,336		1,087,336	
Net Ton Miles, Freight	587,045		587,045	

OPERATING PERFORMANCE

MAINTENANCE:				
Cost of Maintenance of Way (Track Accounts Only) per Equivalent Track Mile August 5 to December 31, 1946	$ 899.34		$ 899.34	
Percent of Total Locomotives out of Service for Repairs	28.9		28.9	
Percent of Total Passenger Cars out of Service for Repairs	17.2		17.2	
Percent of Total Freight Cars out of Service for Repairs	2.9		2.9	
Cost of Locomotive Repairs per Locomotive Mile, Classified	$ .209		$ .209	
Cost of Locomotive Repairs per Locomotive Mile, Running	$ .284		$ .284	
Cost of Locomotive Repairs per Locomotive Mile, Total	$ .493		$ .493	
FREIGHT TRAINS:				
Average Net Train Load	1,479		1,479	
Average Gross Train Load	2,739		2,739	
Average Train Speed	12.2		12.2	
Gross Ton Miles per Train Hour	32,174		32,174	
Pounds of Coal per 1,000 Gross Ton Miles	149		149	
Cost of Fuel per 1,000 Gross Ton Miles	$ .387		$ .387	
Cost of Wages per 1,000 Gross Ton Miles	$ .431		$ .431	
PASSENGER TRAINS:				
Average Cars per Train	7.36		7.36	
Cost of Fuel and Wages per Train Mile	$ 1.45		$ 1.45	

TRANSPORTATION STATISTICS . . . Continued

OPERATING PERFORMANCE—Continued

	1946	1945	Increase or Decrease	
			Amount	Per Cent
FREIGHT CARS:				
Net Tons per Loaded Car	39.0		39.0	
Percent Net to Gross	54.0		54.0	
Percent Loaded to Total Car Mile	68.8		68.8	
Car Miles per Car Day (of Cars in Service)	30.8		30.8	
Net Ton Miles per Car Day (of Cars in Service)	765		765	
LOCOMOTIVES:				
Pounds of Coal per Locomotive Mile, Freight	231		231	
Pounds of Coal per Locomotive Mile, Passenger	262		262	
Pounds of Coal per Locomotive Mile, Yard	146		146	
Locomotive Miles per Train Mile, Freight	1.44		1.44	
Locomotive Miles per Train Mile, Passenger	1.08		1.08	
ENGINE HOUSE:				
Cost per Engine Handled	$ 8.65		$ 8.65	

REVENUE TRAFFIC STATISTICS

PASSENGER:				
Passengers	145,561		145,561	
Passengers One Mile	4,371,963		4,371,963	
Revenue per Passenger	$ .67		$ .67	
Revenue per Passenger Mile	$ .022		$ .022	
Average Haul per Passenger	30.0		30.0	
FREIGHT:				
Tons	11,339,548		11,339,548	
Tons One Mile	581,625,377		581,625,377	
Average Revenue per Ton	$ .57		$ .57	
Average Revenue per Ton Mile	$ .011		$ .011	
Average Haul per Ton	51.3		51.3	

CENTRAL RAILROAD CO. OF PENNSYLVANIA

CARLOAD REVENUE FREIGHT TRAFFIC

COMMODITY	1946			1945		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF AGRICULTURE						
Wheat	403	20,531	13,687			
Corn	453	21,623	8,989			
Oats	602	22,277	10,321			
Barley and rye	34	1,361	695			
Rice	40	1,548	592			
Grain, N. O. S.*	16	606	220			
Flour, wheat	1,563	56,111	24,689			
Meal, corn	42	1,450	498			
Flour and meal edible, N. O. S.	250	8,183	3,194			
Cereal food preparations, edible, N. O. S.	186	3,575	1,921			
Mill products, N. O. S.	903	30,463	15,028			
Hay and alfalfa	235	3,873	2,692			
Straw	49	704	496			
Tobacco, leaf	17	280	228			
Cotton in bales	287	7,224	2,789			
Cotton linters, noils, and regins	335	7,783	5,873			
Cottonseed	1	30	29			
Cottonseed meal and cake	2	45	6			
Oranges and grapefruit	66	1,571	983			
Lemons, limes, and citrus fruits, N. O. S.	12	222	149			
Apples, fresh	252	4,602	2,462			
Bananas	14	176	65			
Berries, fresh	19	550	283			
Cantaloupes and melons, N. O. S.	22	282	116			
Grapes, fresh	216	3,726	1,552			
Peaches, fresh	112	1,386	1,527			
Watermelons	6	80	47			
Fruits, fresh, domestic, N. O. S.	120	2,241	998			
Fruits, fresh, tropical, N. O. S.	2	76	44			
Potatoes, other than sweet	812	17,340	8,060			
Cabbage	26	373	343			
Onions	29	487	334			
Tomatoes	15	225	110			
Vegetables, fresh, N. O. S.	221	4,019	3,645			
Beans and peas, dried	53	2,069	1,236			
Fruits, dried or evaporated	40	1,077	621			
Vegetables, dry, N. O. S.	27	666	300			
Vegetable-oil cake and meal, except cottonseed	180	6,051	2,490			
Peanuts	23	570	212			
Flaxseed	1	31	9			
Sugar beets	—	—	—			
Products of agriculture, N. O. S.	1,659	59,163	30,284			
TOTAL	9,345	294,650	147,817			
ANIMALS AND PRODUCTS						
Horses, mules, ponies, and asses	6	74	111			
Cattle and calves, single-deck	259	3,230	3,640			
Calves, double-deck	2	16	5			
Sheep and goats, single-deck	11	101	79			
Sheep and goats, double-deck	17	138	85			
Hogs, single-deck	48	686	794			
Hogs, double-deck	113	1,553	1,491			
Fresh meats, N. O. S.	749	9,836	12,700			
Meats, cured, dried or smoked	96	2,247	1,951			
Butterine and margarine	15	426	362			
Packing-house products, edible, N. O. S., except canned meats	60	1,275	839			
Poultry, live	5	85	107			
Poultry, dressed	172	2,738	4,315			
Eggs	77	2,087	2,146			
Butter	146	2,353	2,341			
Cheese	133	2,974	3,519			
Wool	419	5,365	4,935			
Hides, green	268	6,985	3,906			
Leather	170	4,575	3,486			
Fish or sea-animal oil	434	13,135	14,007			
Animals, live, N. O. S.	2	35	43			
Animal products, N. O. S. (other than fertilizer, etc.)	574	15,820	13,828			
TOTAL	3,776	75,734	74,690			
PRODUCTS OF MINES						
Anthracite coal	46,173	2,655,029	2,260,813			
Bituminous coal	60,771	3,532,458	907,500			
Coke	263	7,447	3,968			
Iron Ore	2,425	180,581	37,475			
Copper ore and concentrates	2	111	88			
Lead ore and concentrates	40	1,971	1,404			
Zinc ore and concentrates	3,409	168,559	67,081			
Ores and concentrates, N. O. S.	840	46,469	21,314			
Gravel and Sand (except glass or molding)	2,213	123,079	48,547			
Stone, broken, ground or crushed	606	37,048	18,009			
Stone, rough, N. O. S.	157	7,978	2,007			
Stone, finished, N. O. S.	47	2,288	636			
Petroleum, crude	17	445	430			
Asphalt (natural, by-products, or petroleum)	1,483	55,400	42,458			
Salt	977	45,985	28,816			
Phosphate rock, crude (ground or not ground)	10	466	117			
Sulphur (brimstone)	130	7,296	3,346			
Products of mines, N. O. S.	4,299	216,638	77,210			
TOTAL	123,862	7,089,248	3,521,219			

* N. O. S. indicates Not Otherwise Specified.

CENTRAL RAILROAD CO. OF PENNSYLVANIA

CARLOAD REVENUE FREIGHT TRAFFIC . . . Continued

COMMODITY	1946			1945		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF FORESTS						
Logs	32	763	279			
Posts, poles, and piling	273	7,919	3,589			
Wood (fuel)	2	98	66			
Ties, railroad	291	6,610	6,438			
Pulp wood	30	1,027	284			
Lumber, shingles and lath	4,260	145,029	66,449			
Box, crate, and cooperage materials	225	5,465	2,264			
Veneer and built-up wood	79	2,405	983			
Rosin	210	5,470	1,911			
Turpentine	40	894	555			
Crude rubber (not reclaimed)	33	1,048	556			
Products of forests, N. O. S.	852	15,670	13,811			
TOTAL	6,327	192,398	97,185			
MANUFACTURERS AND MISCELLANEOUS						
Petroleum oils, refined, and all other gasoline	2,336	66,567	56,550			
Fuel, road, and petroleum residual oils, N. O. S.	714	21,846	18,573			
Lubricating oils and grease	2,610	69,075	52,188			
Petroleum products, N. O. S.	344	9,315	7,278			
Cottonseed oil	107	3,220	2,395			
Linseed oil	138	4,300	4,332			
Vegetable oils, N. O. S.	452	13,545	9,484			
Sugar (beet or cane)	104	3,464	2,045			
Table sirups and edible molasses	246	9,263	6,090			
Molasses, blackstrap and beet residual	5	211	128			
Iron, pig	492	26,987	19,639			
Iron and steel, rated 6th class, N. O. S.	325	18,046	6,660			
Rails, fastenings, frogs, and switches	416	18,568	9,134			
Cast-iron pipe and fittings	198	4,140	2,277			
Iron and steel pipes and fittings, N. O. S.	783	20,568	14,079			
Iron and steel: Nails and wire, not woven	343	10,237	5,645			
Iron and steel, rated 5th class, N. O. S. (also tin and terne plate)	10,030	353,380	331,557			
Copper: Ingot, matte, and pig	782	39,819	18,772			
Copper, brass and bronze: Bar, sheet, and pipe	66	2,090	1,190			
Lead and Zinc: Ingot, pig, or bar	706	32,625	16,562			
Aluminum: Ingot, pig, or slab	93	4,117	3,693			
Machinery and boilers	1,664	30,836	32,358			
Cement, natural or Portland (building)	12,435	557,328	295,375			
Brick, common	152	6,702	2,743			
Brick, N. O. S., and building tile	1,047	38,702	18,738			
Artificial stone, N. O. S.	13	472	189			
Lime, common (quick or slaked)	709	26,328	10,323			
Plaster (stucco or wall) and dry kalsomine	111	3,807	2,011			
Sewer pipe and drain tile (not metal)	417	8,036	4,691			
Agricultural implements and parts, N. O. S.	24	355	341			
Vehicles, horse-drawn, and parts, N. O. S.	—	—	—			
Tractors and parts	647	50,498	20,664			
Railway car wheels, axles, and trucks	106	3,663	2,514			
Automobile (passenger)	841	6,119	10,880			
Autotrucks	1,640	22,694	19,155			
Automobiles and trucks, unassembled and parts, N. O. S.	1,226	20,192	17,253			
Automobiles and trucks tires	479	8,504	5,629			
Furniture, metal	155	1,809	2,184			
Furniture, other than metal	1,291	11,954	16,561			
Beverages	2,427	67,758	50,585			
Ice	27	800	386			
Fertilizers, N. O. S.	1,642	62,477	34,106			
Newsprint paper	3,281	91,860	66,580			
Printing paper, N. O. S.	1,234	33,900	22,839			
Alcohol, denatured or wood	490	12,378	8,991			
Sulphuric acid	339	17,350	19,081			
Explosives, N. O. S.	667	14,865	22,468			
Cotton cloth and cotton fabrics, N. O. S.	269	3,702	3,516			
Bagging and bags, burlap, gunny, or jute	27	506	436			
Canned food products, N. O. S.	2,024	62,633	40,850			
Tobacco, manufactured products	71	1,598	970			
Paints in oil and varnishes	485	11,618	10,782			
Furnace slag	554	25,708	7,881			
Scrap iron and scrap steel	3,111	107,168	71,162			
Paper bags and wrapping paper	626	16,331	11,219			
Paperboard, pulpboard and wallboard (paper)	2,523	66,536	26,663			
Building paper and prepared roofing materials	1,303	35,279	28,295			
Building woodwork (millwork)	72	1,540	1,153			
Soap and washing compounds	358	9,232	5,693			
Glass, flat, other than plate	227	8,803	4,609			
Glass: Bottles, jars, and jelly glasses	3,019	62,490	36,615			
Manufacturers and miscellaneous, N. O. S.	49,349	1,302,760	923,053			
TOTAL	118,372	3,546,674	2,447,813			
GRAND TOTAL, CARLOAD TRAFFIC	261,682	11,198,704	6,288,724			
Less than Carload Freight	x x x	140,844	270,548			
GRAND TOTAL CARLOAD AND L. C. L. TRAFFIC	x x x	11,339,548	6,559,272			

CENTRAL RAILROAD CO. OF PENNSYLVANIA

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1946

ROAD OWNED AND LEASED	Gross Capital Charges	Retirements	Net Capital Charges
Rails and Other Track Material			
Betterment of rail and other track material	$ 7,401.82		$ 7,401.82
Shop Machinery and Tools			
Acquisition of Machinery from the Central Railroad Co. of New Jersey	335,367.27		335,367.27
Miscellaneous	8,946.02		8,946.02
Total Road Owned and Leased	$351,715.11		$351,715.11
EQUIPMENT:			
None			
Grand Total	$351,715.11		$351,715.11

CENTRAL RAILROAD CO. OF PENNSYLVANIA

EQUIPMENT

	December 31, 1946		December 31, 1945	
	Number	Capacity (Tons)	Number	Capacity (Tons)
Coal	500	25,000	500	25,000
Gondola-Steel	1,000	70,000	1,000	70,000
Flat	100	7,000	100	7,000
Total	1,600	102,000	1,600	102,000

MILES OF ROAD AND TRACK OPERATED—DECEMBER 31, 1946

	Owned		Leased		Trackage Rights		Total		All
	Main Line	Branches	Main Line	Branches	Main Line	Branches	Main Line	Branches	
Miles of Road Operated	4.43	.06	109.38	75.76	9.66	14.03	123.47	89.85	213.32
Second Main Track			92.53	10.54	9.66	5.95	102.19	16.49	118.68
Other Main Tracks			4.80				4.80		4.80
Passing Tracks, Crossovers and Turnouts			17.19	.34		1.07	17.19	1.41	18.60
Way Switching Tracks			32.57	31.25		2.36	32.57	33.61	66.18
Yard Switching Tracks		.25	127.80	26.55		11.86	127.80	38.66	166.46
Total Tracks Operated	4.43	.31	384.27	144.44	19.32	35.27	408.02	180.02	588.04

WHARTON AND NORTHERN RAILROAD CO.

GENERAL BALANCE SHEET

ASSETS	December 31, 1946	December 31, 1945	Increase	Decrease
Investments:				
Road and Equipment Property	$ 783,289.28	$ 423,239.28	$ 360,050.00	
Donations and Grants	#7,136.76	#7,136.76		
Investment in Transportation Property	$ 776,152.52	$ 416,102.52	$ 360,050.00	
Accrued Depreciation—Road	#11,159.30	#10,769.30		$ 390.00
Accrued Depreciation—Equipment	#27,349.75	#25,377.15		1,972.60
Investment in Transportation Property less recorded Depreciation	$ 737,643.47	$ 379,956.07	$ 357,687.40	
Miscellaneous Physical Property	14,291.58	14,465.68		174.10
Investments in Affiliated Companies,				
Investment Advances		$ 349.51		$ 349.51
Other Investments,				
Stocks	$ 51.02	51.02		
Bonds	620,641.57	503,394.54	$ 117,247.03	
Total	$ 1,372,627.64	$ 898,216.82	$ 474,410.82	
Current Assets:				
Cash	$ 204,794.95	$ 201,078.66	$ 3,716.29	
Temporary Cash Investments	33,000.00	250,000.00		$ 217,000.00
Traffic and Car Service Balances—Debit	15,750.03		15,750.03	
Miscellaneous Accounts Receivable	173,979.06	220,871.16		46,892.10
Interest and Dividends Receivable	4,122.03	3,254.16	867.87	
Accrued Accounts Receivable	308,136.04		308,136.04	
Total	$ 739,782.11	$ 675,203.98	$ 64,578.13	
Deferred Assets:				
Working Fund Advances	$ 100.00	$ 100.00		
Other Deferred Assets		16.10		$ 16.10
Total	$ 100.00	$ 116.10		$ 16.10
Unadjusted Debits:				
Prepayments	$ 699.93	$ 861.43		$ 161.50
Other Unadjusted Debits	9,415.61		$ 9,415.61	
Total	$ 10,115.54	$ 861.43	$ 9,254.11	
Grand Total	$ 2,122,625.29	$ 1,574,398.33	$ 548,226.96	

# Denotes credit.

WHARTON AND NORTHERN RAILROAD CO.

GENERAL BALANCE SHEET

LIABILITIES	December 31, 1946	December 31, 1945	Increase	Decrease
Stock:				
Capital Stock,				
Common—Authorized $500,000.00				
Not Issued				
Outstanding	$ 500,000.00	$ 500,000.00		
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public	$ 286,520.00		$ 286,520.00	
Current Liabilities:				
Traffic and Car Service Balances—Credit		$ 7,776.96		$ 7,776.96
Audited Accounts and Wages Payable	$ 20,514.43	14,369.96	$ 6,144.47	
Miscellaneous Accounts Payable	1,289.84	1,215.05	74.79	
Interest Matured Unpaid	377.26		377.26	
Taxes Accrued	493.16	420.35	72.81	
Other Current Liabilities	14,964.47	30,738.27		15,773.80
Total	$ 37,639.16	$ 54,520.59		$ 16,881.43
Deferred Liabilities:				
Other Deferred Liabilities		$ 350.00		$ 350.00
Surplus:				
Earned Surplus—Appropriated	$ 550.41	$ 550.41		
Earned Surplus—Unappropriated	1,297,915.72	1,018,977.33	$ 278,938.39	
Total	$ 1,298,466.13	$ 1,019,527.74	$ 278,938.39	
Grand Total	$ 2,122,625.29	$ 1,574,398.33	$ 548,226.96	

WHARTON AND NORTHERN RAILROAD CO.

PROFIT AND LOSS

Credit Balance December 31, 1945	$1,018,977.33	
Credit Balance transferred from Income	475,629.20	
Miscellaneous Credits	3,309.80	
Total Credits		$1,497,916.33
Dividend Appropriations of Surplus	$ 200,000.00	
Miscellaneous Debits	.61	
Total Debits		$ 200,000.61
Credit Balance December 31, 1946		$1,297,915.72

LONG TERM DEBT

CONDITIONAL PURCHASE CONTRACTS

	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
1.64%	Dec. 1, 1946	Nov. 1, 1954	$144,020.00	—	$142,500.00	Monthly	$329.68
1.64%	Jan. 1, 1947	Dec. 1, 1954	144,020.00	—	144,020.00	Monthly	180.43
			$288,040.00		$286,520.00		$510.11

WHARTON AND NORTHERN RAILROAD CO.

INCOME ACCOUNT

	1946	1945	Increase or Decrease	
			Amount	Per Cent
Total Operating Revenues	$ 256,453.40	$ 406,775.31	* $ 150,321.91	* 37
Total Operating Expenses	$ 75,366.54	$ 77,946.39	* $ 2,579.85	* 3
Net Revenue from Railway Operations	$ 181,086.86	$ 328,828.92	* $ 147,742.06	* 45
Railway Tax Accruals				
New Jersey Property	$ 5,498.79	$ 10,109.68	* $ 4,610.89	* 46
New Jersey Franchise	6,598.55	6,028.06	570.49	9
Federal Income	#308,136.04	#5,663.01	* 302,473.03	
Pay Rolls	2,976.04	2,586.19	389.85	15
Other	89.67	72.16	17.51	24
Total Taxes	$ #292,972.99	$ 13,133.08	* $ 306,106.07	
Hire of Equipment—Cr.				
Locomotives	$ 2,533.63	$ 3,345.79	* $ 812.16	* 24
Work Equipments	1,475.64	1,475.64		
Total	$ 4,009.27	$ 4,821.43	* $ 812.16	* 17
Hire of Equipment—Dr.				
Freight Cars	$ 14,020.93	$ 29,628.92	* $ 15,607.99	* 53
Locomotives	3,801.26	6,040.82	* 2,239.56	* 37
Total	$ 17,822.19	$ 35,669.74	* $ 17,847.55	* 50
Hire of Equipment—Net	$ † 13,812.92	$ † 30,848.31	$ 17,035.39	55
Joint Facility Rents	$ † 1,059.30		$ 1,059.30	
Net Railway Operating Income	$ 459,187.63	$ 284,847.53	$ 174,340.10	61
NON-OPERATING INCOME				
Income from Lease of Road and Equipment	$ 4,166.83		$ 4,166.83	
Miscellaneous Rent Income		$ 25.00	* 25.00	
Miscellaneous Nonoper'g Phys. Property	† 410.00	173.21	* 583.21	
Income from Funded Securities	12,754.21	10,743.19	2,011.02	19
Income from Unfunded Sec. and Accounts	632.88	1,102.16	* 469.28	* 43
Total Income	$ 476,331.55	$ 296,891.09	$ 179,440.46	60
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous Rents	$ 70.00	$ 70.00		
Miscellaneous Tax Accruals	109.43	192.37	* $ 82.94	* 43
Total	$ 179.43	$ 262.37	* $ 82.94	* 32
Available for Fixed Charges	$ 476,152.12	$ 296,628.72	$ 179,523.40	61
FIXED CHARGES				
Interest on Funded Debt				
Interest on Cond'l Purchase Agreements	$ 510.11		$ 510.11	
Interest on Unfunded Debt	12.81	$ 5.04	7.77	154
Total Fixed Charges	$ 522.92	$ 5.04	$ 517.88	
Net Income	$ 475,629.20	$ 296,623.68	$ 179,005.52	60

# Denotes credit. † Denotes debt. * Denotes decrease.

WHARTON AND NORTHERN RAILROAD CO.

CARLOAD REVENUE FREIGHT TRAFFIC

COMMODITY	1946			1945		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
Total Products of Agriculture	96	2,753	1,023	108	3,687	1,070
Total Animals and Products	54	1,492	592	65	1,537	683
Total Products of Mines	968	49,993	18,237	1,549	84,184	31,611
Total Products of Forests	272	7,750	3,127	703	22,091	10,065
Total Manufacturers and Miscellaneous	13,205	408,582	227,666	14,891	431,243	353,232
GRAND TOTAL, CARLOAD TRAFFIC	14,595	470,570	250,645	17,316	542,742	396,661
Less than Carload Freight	x x x	4,259	9,595	x x x	5,929	13,808
GRAND TOTAL, CARLOAD and L. C. L. TRAFFIC		474,829	260,240		548,671	410,469

EQUIPMENT

LOCOMOTIVES	December 31, 1946				December 31, 1945			
	Number	Average Weight (Tons)		Average Tractive Power	Number	Average Weight (Tons)		Average Tractive Power
		Total	On Drivers			Total	On Drivers	
Oil Electric Passenger	2	127.0	127.0	63,500				
Total	2	254.0	254.0	127,000				
Average		127.0	127.0	63,500				

WORK EQUIPMENT	Number December 31,				
	1946	1945			
Work Cars	10	10			

MILES OF ROAD AND TRACK OPERATED—DECEMBER 31, 1946

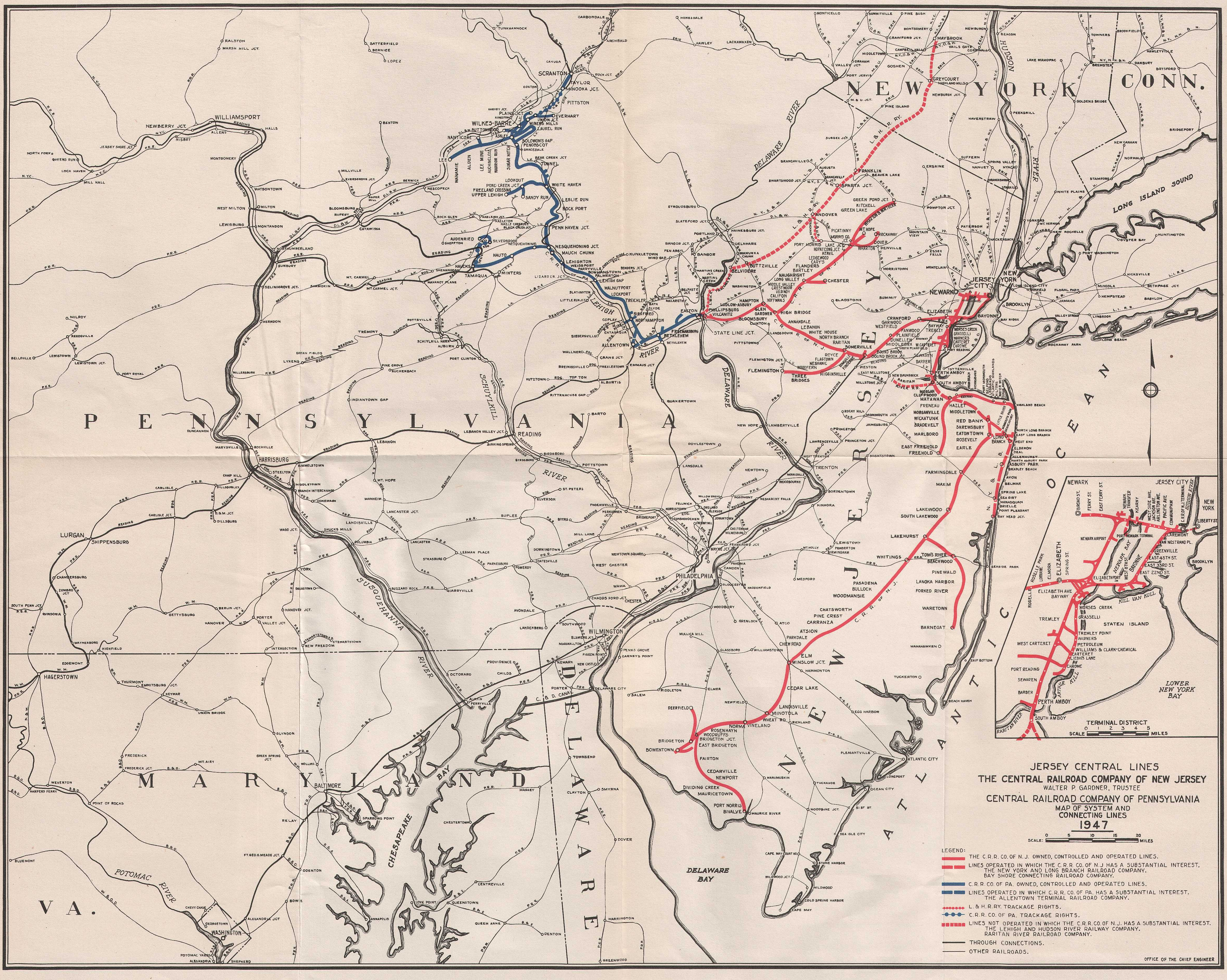
	Owned		Leased		Trackage Rights		Total		
	Main Line	Branches	Main Line	Branches	Main Line	Branches	Main Line	Branches	All
Miles of Road Operated	13.42	1.27				1.21			15.90
Way Switching Tracks	2.13								2.13
Total Tracks Operated	15.55	1.27				1.21			18.03

WHARTON AND NORTHERN RAILROAD CO.

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1946

ROAD OWNED AND LEASED	Gross Capital Charges	Retirements	Net Capital Charges
None			
EQUIPMENT:			
Purchase of 2 Diesel Electric Passenger Locomotives	$360,050.00		$360,050.00
Grand Total	$360,050.00		$360,050.00


PENNSYLVANIA
NEW YORK
CONN.
NEW JERSEY
MARYLAND
DELAWARE
VA.
ATLANTIC OCEAN
LONG ISLAND SOUND
DELAWARE BAY
CHESAPEAKE BAY
HUDSON RIVER
DELAWARE RIVER
SUSQUEHANNA RIVER
LEHIGH RIVER
SCHUYLKILL RIVER
POTOMAC RIVER
SCRANTON
WILKES-BARRE
WILLIAMSPORT
HARRISBURG
READING
ALLENTOWN
BETHLEHEM
EASTON
PHILLIPSBURG
PHILADELPHIA
TRENTON
NEWARK
JERSEY CITY
NEW YORK
ELIZABETH
PERTH AMBOY
LONG BRANCH
LAKEHURST
ATLANTIC CITY
CAPE MAY
WILMINGTON
BALTIMORE
WASHINGTON
HAGERSTOWN
TERMINAL DISTRICT
0 1 2 3 4 5
SCALE MILES
LOWER NEW YORK BAY
STATEN ISLAND
KILL VAN KULL
ARTHUR KILL
RARITAN RIVER

JERSEY CENTRAL LINES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

WALTER P. GARDNER, TRUSTEE

CENTRAL RAILROAD COMPANY OF PENNSYLVANIA

MAP OF SYSTEM AND
CONNECTING LINES
1947

SCALE: 0 5 10 15 20 MILES

LEGEND:

- 🟥 THE C.R.R. CO. OF N.J. OWNED, CONTROLLED AND OPERATED LINES.
- 🟥 LINES OPERATED IN WHICH THE C.R.R. CO. OF N.J HAS A SUBSTANTIAL INTEREST.
  THE NEW YORK AND LONG BRANCH RAILROAD COMPANY.
  BAY SHORE CONNECTING RAILROAD COMPANY.
- 🟦 C.R.R. CO. OF PA. OWNED, CONTROLLED AND OPERATED LINES.
- 🟦 LINES OPERATED IN WHICH C.R.R. CO. OF PA. HAS A SUBSTANTIAL INTEREST.
  THE ALLENTOWN TERMINAL RAILROAD COMPANY.
- L. & H.R.RY. TRACKAGE RIGHTS.
- C.R.R. CO. OF PA. TRACKAGE RIGHTS.
- 🟥 LINES NOT OPERATED IN WHICH THE C.R.R. CO. OF N.J. HAS A SUBSTANTIAL INTEREST.
  THE LEHIGH AND HUDSON RIVER RAILWAY COMPANY.
  RARITAN RIVER RAILROAD COMPANY.
- THROUGH CONNECTIONS.
- OTHER RAILROADS.

OFFICE OF THE CHIEF ENGINEER